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REPORTS ON FOREIGN MINISTER'S 23 JUL PRESS CONFERENCE

Relations With India

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 pp 1, 12

[Text] Foreign Minister Professor M. Shamsul Huq on Thursday reiterated Bangladesh's claim on the South Talpatty island and deplored the Indian "unilateral action and use of force" on the island in May last.

Talking at a Press conference the Foreign Minister hoped that India would take appropriate moves to remove the causes of present tension and strain in the relations between the two neighbours by withdrawing her troops and equipment from the South Talpatty island and conducting a joint survey in ascertaining the ownership of the island. He believed that the relations between the two countries could again be put back on the right course through appropriate action by India. He stressed on better confidence and reducing credibility gap between the two neighbours for resumption of fruitful talks between the two Governments.

The Foreign Minister said that he had no immediate plan to visit India unless the mutual confidence was restored and the causes of strain relations were removed and a congenial atmosphere was created for resumption of fruitful talks. He reiterated Bangladesh's persistent and consistent foreign policy of developing and promoting friendly relations with her neighbours. He also extended Bangladesh's all cooperation in resolving outstanding problems with India on the basis of mutual respect for sovereign equality and territorial integrity of neighbours, non-interference in the internal affairs of others and non-use of force in the settlement of disputes.

The Foreign Minister termed sharing of the Ganges water, delimitation of land boundary, ownership of the South Talpatty island and delimitation of maritime boundary as the outstanding problems between Bangladesh and India. He believed that disputes should be resolved with good neighbourly understanding and through non-use of force. Bangladesh he said, considered good neighbourly relations as imperative for ensuring peace and stability in the South Asian region.

Talking about the issue of the South Talpatty island, Foreign Minister Professor Shamsul Huq blamed India for violating a "solemn commitment" with Bangladesh. Both countries he mentioned, were committed to a peaceful and early solution of the issue and negotiations were in progress. The two countries, he added also

agreed at the highest level to conduct a joint survey to ascertain the ownership of the South Talpatty island. It was also agreed upon to exchange necessary data and information on the island, he said. But he observed the unilateral action of India on the island in May last violated these agreements. He termed India's sudden recourse to a show of force to assert her claim on the island as totally unwarranted. He regretted that India being a founding member of the Non-aligned Movement and committed to non-use of force and peaceful settlement of all disputes could adopt such a course.

The Foreign Minister deplored the "change of postures" by India at different times in settling the disputes with Bangladesh. He considered these change of postures by India as a deterrent to promotion of good neighbourly relations and a cause to create "credibility gap" in relations between the two neighbours. "At one time we felt encouraged by signals received from New Delhi indicating India's willingness to defuse the situation by adopting appropriate measures to restore the status quo ante and a climate of trust and confidence conducive to meaningful talks for peaceful settlement of the South Talpatty and other outstanding problems", the Foreign Minister said. Then again he added to "our surprise and disappointment, India appeared to have changed her mind and such changes in the Indian postures further widened the credibility gap".

The Foreign Minister mentioned about the utmost restraint Bangladesh exercised against all "provocative activities" by India. Bangladesh he said, was determined not to be deflected from the path of seeking peaceful and lawful means in finding a fair and just solution to South Talpatty issue. He observed that use of force could never provide a lasting solution to any problem. Besides he stressed, the history geopolitical situation and interests of the two peoples clearly require them as neighbours to live in peace, harmony and friendship.

Professor Shamsul Huq referred to the statements by Indian leaders to develop and promote good neighbourly relations and resolve all outstanding problems peacefully in a spirit of good neighbourliness. He termed these statements as encouraging. He also mentioned about some forward movements made in recent years in the direction of promoting better relation between the two neighbours.

Replying to a question the Foreign Minister reiterated Bangladesh's effort to forge a greater unity of the South Asian countries. He said that the idea for South Asian regional cooperation spawned by late President Ziaur Rahman was "very much alive" and some moves were in progress to organise a summit of the South Asian nations.

#### Mexican Summit Discussed

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 pp 1, 12

[Text] Foreign Minister Professor M. Shamsul Huq on Thursday hoped that the 'minisummit' scheduled to be held in Mexico in October would pave the way to a constructive and fruitful North-South dialogue.

The Foreign Minister who leaves today (Friday) for Cancun Mexico to attend the meeting of Foreign Ministers of 22 countries as preparation for the 'minisummit' told a Press conference that cooperation between North and South in the establishment of a just and equitable new international economic order was essential for

peace and progress for all. He said that in the current decade that opened under the shadow of a deepening political and economic crisis economic interdependence and mutuality of benefit between rich North and poor non-OPEC countries of the South must be recognised and harnessed.

Besides economic interdependence and political peace the Foreign Minister said there were a number of areas which are of common concern to North-South countries such as environmental pollution the need for disarmament prevention of nuclear proliferation exploitation of resources of the sea growth of population adequate supply and equitable distribution of food. The life support system in this planet he said was delicately balanced one rendering it imperative that all of us North and South East and West cooperate in preserving this balance.

Talking about the Mexico summit of 22 selected countries Professor Shamsul Huq hoped that the 'mini-summit' would generate a political will for cooperation between the rich North and the poor South. The Austrian Chancellor and the Mexican President have taken the initiative to convene the 'mini-summit'.

Invitations have been extended to four African countries Algeria Ivory Coast Tanzania and Nigeria in Africa five Asian countries Bangladesh India Philippines Saudi Arabia and China four Latin American countries Brazil Mexico Venezuela and Guayana, and Yugoslavia from Europe. The eight developed countries to participate in the 22-country 'mini-summit' are the USA Japan the UK Canada FRG Sweden and Austria. The USSR has also been invited this summit. The 'mini-summit' will be held in Cancun Mexico on October 22-23. The preparatory meeting of Foreign Ministers will be held on August 1-2. Prior to this preparatory meeting the Foreign Ministers of the developing countries will meet in New York on July 29-30 for preliminary exchange of views.

Foreign Minister Professor Shamsul Huq said that co-sponsoring countries Mexico and Austria earlier extended invitation to late President Ziaur Rahman to attend the mini-summit'. After his death invitation had been renewed to Bangladesh and two special emissaries of the Austrian Chancellor and the Mexican President visited Bangladesh to hand over the invitation to Acting President Mr. Justice Abdus Sattar, the Foreign Minister said. The announcement of the Acting President's acceptance of the invitation would be made duly, he added.

Giving background history of the North-South dialogue, the Foreign Minister regretted that all the efforts in having a fruitful dialogue had so far failed. He expressed great hope in the new efforts of the 'mini-summit' and considered it as a historical. The mini-summit, he said, was intended to take the form of an informal discussion with view to sharpening the perception of the world economic situation and a better understanding of the mutual points of view. The problem areas that were likely to feature prominently in the 'mini-summit' included agricultural and food security, energy, trade and industry, development and money and finance, the Foreign Minister informed.

Replying to a question, the Foreign Minister said that the 'mini-summit' would not end in deadlock as the participating countries would meet informally and no country was going to take any decision and make any commitment there. He said that Bangladesh would place its point of view on the deepening global economic crisis.

Professor Shamsul Huq said that the causes of the present economic crisis were rooted in outdated, inherited economic structures. He said that the world was witnessing a slowing down in the tempo of economic expansion in both the developed and the developing countries. Referring to the widening disparity between the rich and the poor nations, the Foreign Minister said that the income gap between them which stood at ten to one in 1950 was estimated to exceed 13 to one at present. Between 1965 and now the per capita income recorded a rise of 3909 dollars in the most developed countries in contrast to a mere 50 dollars in the poorest countries, he cited. The industrialised countries, he said, were now fighting a grim battle against 'stagflation' (stagnation following inflation) and the developing countries and the least developed countries had waged an increasingly difficult war against the problems of mass poverty and mass unemployment. The OPEC countries also, he said, were faced with the challenge of achieving adequate level of development before their oil resources, which is a non-renewable resource, was completely depleted.

On his way to Mexico, the Foreign Minister will stay in London for two days where he is expected to take up the present racial problem in Britain with his British counterpart Lord Carrington.

#### General Assembly Presidency

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 p 1

[Text] Bangladesh will contest the election for the office of the President of the UN General Assembly Foreign Minister Prof M. Shamsul Huq reaffirmed on Thursday reports ENA.

He said Bangladesh's candidature for the post of UN presidency is favourable.

Other contestants for this office are Syria Iraq and Singapore.

Replying to a question the Foreign Minister categorically denied that Bangladesh had withdrawn its candidature in favour of Iraq "it is absolutely incorrect" he added.

The Foreign Minister was addressing a Press conference at the Foreign Office.

#### No Pakistani Troops

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 p 1

[Text] Foreign Minister Prof Muhammad Shamsul Huq on Thursday dismissed the idea of stationing one lakh Pakistani troops in Bangladesh as "totally baseless" reports BSS.

He told this when he was asked to comment on a report published in a section of the Indian Press at a news conference in Dacca.

Replying to another question the Foreign Minister described the relations between Bangladesh and Pakistan "as between to sovereign neighbouring countries".

### Tribals' Return Cited

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 p 1

[Text] Most of the tribal families who had crossed the border out of panic in the recent past following tragic events in Chittagong returned to Bangladesh Foreign Minister Prof M. Shamsul Huq said in Dacca on Thursday reports BSS.

Replying to a question on Indian Press reports alleging continued exodus of tribal people from Chittagong Hill Tracts into India the Foreign Minister said that some tribal families might have crossed the border out of panic.

But he said at a Press conference that the Bangladesh Government took appropriate remedial measures including holding of flag meetings between the two Border Forces to resolve the problem.

"We have the information that most of them (tribal families) had since returned to Bangladesh".

### Statement, Questions and Answers

Dacca THE BANGLADESH OBSERVER in English 25 Jul 81 pp 5, 6

[Text] Following is the summary of the statement and answers to questions at the Press conference held on 23.7.1981 by Professor Muhammad Shamsul Huq, Foreign Minister, on the eve of his departure for the meeting of the Foreign Ministers of 22 countries to be held in Cancun, Mexico as preparation for the Summit Meeting in October, 1981.

The idea of holding an international meeting of representatives of developed and developing countries at the summit level on Cooperation and Development (commonly known as 'Mini-Summit') emerged following the deadlock in various international forums on North-South Cooperation on the world economic problems that bedevil both the developing and developed countries.

The idea of such a meeting was also embodied in the report of the Independent Commission on International Development issues under the Chairmanship of Mr. Willy Brandt, popularly known as the Brandt Commission.

While the fast deteriorating world economic situation with its grave economic and political implications called for concerned action on the part of all nations developing and developed to contain it, unfortunately the representatives of the developed and developing countries meeting in Paris during 1975-77 under the auspices of the Conference on International Economic Cooperation and at the United Nations at the eleventh session and at the meeting of the Committee of the whole of the United Nations remaining as far apart as ever in their perception of the problems and approach to their solution. As a matter of fact they could not even agree on an agenda and procedure for the forthcoming Global Round of Negotiations to be held under the auspices of the United Nations.

Recognising the need for generating a political will for cooperation between the rich North and the poor South the Austrian Chancellor and the Mexican President

in consultation with a few other countries took the initiative to convene a meeting of representatives of 22 developing and developed countries on the Summit level. Through informal consultations the Co-sponsoring countries invited the Heads of 22 countries to participate in this meeting. These countries are: (Africa) Algeria, Ivory Coast, Tanzania, Nigeria, (Asia) Bangladesh, India Philippines, Saudi Arabia and China, (Latin America) Brazil Mexico Venezuela, Guayana, (Europe) Yugoslavia, (Developed Countries) USA, Japan FRG UK France Canada Sweden Austria.

An invitation was also extended to the USSR. The Summit is scheduled to meet on 22-23 October, 1981 in Cancun, Mexico. A preparatory Committee of the Foreign Ministers of these countries will meet in Cancun on 1-2 August. Prior to this preparatory meeting the Foreign Ministers of the developing countries are scheduled to meet in New York on 29-30 July for preliminary exchange of views.

Viewed against this backdrop this meeting has a historical significance in as much as its principal objective is to pave the way to a meaningful dialogue during the forthcoming Global Round of Negotiations. The meeting is intended to take the form of an informal discussion with a view to sharpening the perception of the world economic situation and a better understanding of the mutual points of view. The problem areas that are likely to feature prominently during the discussion include: i) Agricultural (raw materials) and food security ii) Energy, iii) Trade and Industry iv) development; v) money and finance.

**Causes of the Present Economic Crisis Rooted in Outdated Inherited Economic Structures:** The international economic crisis and in particular, the crisis facing the developing countries has no earlier parallel in the whole post-war period. The crisis was not a manifestation of purely short term difficulties that would correct themselves over time. It is rather a reflection of a deeper underlying malaise rooted in the inherited systems and structures of the world economy.

The world was witnessing a slowing down in the tempo of economic expansion in both the developed and developing countries, together with an unabated process of inflation and unemployment.

Measures adopted by industrialised countries to combat inflation and unemployment have failed to restore the earlier buoyancy of their economy. On the other hand such measures seriously impeded development and employment in the developing countries by curtailing the flow of external aid. The overall consequences have turned out to be highly detrimental to the balance of the world economy, widening the disparity between the rich and poor nations more than ever before. The income gap between them which stood at ten to one in 1950 is estimated to exceed thirteen to one at present. Between 1965 and now the per capita income recorded a rise of U.S. \$3900 in the most developed countries in contrast to a mere \$50 in the poorest countries.

#### **Least Developed Countries**

The plight of the Least Developed Countries, numbering 31 currently, is, of course most distressing. The annual growth rate in Gross Domestic Product (GDP)

per capita for the Least Developed Countries has been under one per cent a year during 1960 through 1980 compared to 2.9 per cent for all developing countries.

Agriculture, the key sector in the Least Developed Countries employing more than 80 per cent of the labour force, produces per worker less than half than in all developing countries. Manufacturing output per worker in the Least Developed Countries ranges between \$2 to \$48 as compared with average of \$126 and \$2297 for the developing and the developed countries respectively. Export proceeds per capita in the Least Developed Countries declined to \$18 in 1979 from \$22 in 1960's. The comparable figure is over \$75 in all developing countries in 1979. The volume of imports of the Least Developed countries amounted to only \$31 per head in 1979 which was less than one-third the level of developing countries as a whole.

The Least Developed Countries are hit doubly. While the prices of imports (including oil) required for basic consumption and development rose sharply the purchasing power of exports fell considerably. For example, in Bangladesh in case of hides and skins the slump in price exceeded 50% and that in jute was 15%. The immediate consequence of this was the growing balance of payments deficit. The outstanding debt of the Developing countries in the finance market increased from over \$30 billion in 1974 to about 100 billion in 1979. This deficit due mainly to deterioration in terms of trade and the rise in the case of service in external debt, will continue to grow unless the downward course in world economy can be arrested.

#### Aggravation of Mass Poverty and Mass Unemployment

The net effect of the deteriorating world economic situation can be seen in the aggravation of the problems of mass poverty and mass unemployment in the developing countries particularly in the Least Developed among them.

It will thus appear that while the industrialised countries are fighting a grim battle against 'stagflation' stagnation inflation and unemployment the developing countries particularly the Least Developed among them are waging what appears to be an increasingly difficult war against the problems of mass poverty and mass unemployment. The Least Developed among them are struggling for their very survival.

The oil exporting developing countries may appear to be affluent. But, it has to be borne in mind that they are affluent only in terms of liquidity and oil is a non-renewable resource. They are also faced with the challenge of achieving adequate level of development before their oil resource is completely depleted.

An objective and close look at the world economic scene points up the futility of a search for a satisfactory solution of the economic problem within the framework of the prevailing economic order. The isolated efforts of the rich countries despite their advantages in terms of resources have proved abortive. The situation clearly indicates the need for a global approach to the current economic malaise embracing the rich and the poor nations as well as the OPEC countries interrelated and interdependent within the ambit of an emerging new economic and political order.

In a power equation based on a galloping arms race world peace hangs precariously on the so called balance of power. In like manner, the menacing growth of world poverty and aggravating disparity in the distribution of wealth poses an increasing threat to economic balance. Both of these orders have clearly proved to be outdated. Both politically and economically, the contemporary world presents a picture of emerging regional and national strengths, all interrelated and interdependents in varying degrees. An imperative of the new emerging order is to view the interests of both North and South as closely interrelated in managing the world affairs.

The planet earth has resources capable of sustaining and supporting a good life for all of its inhabitants. But, this life support system is a delicately balanced one, rendering it imperative that all of us, North and South, East and West cooperate in preserving this delicate balance.

#### Cooperation of North and South Is Beneficial to Both:

Cooperation between North and South in the establishment of a just and equitably balanced new international economic order is as much in the interest of the developed countries as of the developing ones. This is because they are interdependent and their interests are interrelated. The North has already adjusted to the reality of the OPEC countries. They have to now recognise the other reality, namely, that of economic interdependence between the rich North and the poor non-OPEC countries of the South. Some illustrative examples of this interdependence are 1) Unemployment in the Western industrialised countries would have increased by three million workers if the non-OPEC developing countries had cut their imports of manufactured goods when oil price went up in 1973/74. 2) The North gained an average of 900,000 jobs per year during 1973 through 1977 by maintaining their trade in manufactured goods with the newly industrialising developing countries alone. This was accomplished partly by recycling surplus oil funds to the South through Northern banks. 3) The North was also dependent on the South for imports of primary products specially natural resources and minerals. Dependence was much greater in the case of such minerals as copper, iron, manganese Chromium. 4) Japan and OECD countries are dependent on imports of tin and manganese from the South to an extent varying from 65% to 90%. 5) For many tropical agricultural products the North was almost totally dependent on the South (such as Jute Copra, coconut oil).

6) Japan and EEC countries are more dependent on imports from the South than the United States. However, due to close economic interdependence among the North countries, any disruption in the supply to one country spreads to the rest and has far reaching consequences for all of them. 7) The South is however dependent on the North for finance, technology resources including capital goods and industrial raw materials both for their consumption and development needs in the present stage.

There are a number of areas which are of common concern to both groups of countries such as, environmental pollution, the need for disarmament prevention of nuclear proliferation, exploitation of international commons, such as resources of the sea, growth of population, adequate supply and equitable distribution of food.

The decade of the 1980's opening under the shadow of a deepening political and economic crisis is a time of both danger and opportunity. If the nations act rationally perceive their interdependence recognise mutuality of their benefit from cooperation between North and South, the danger can be averted and the opportunity seized for charting out a new path to peace and progress for all.

Hopefully the forthcoming Mini-Summit will turn out to be a first step in this direction paving the way to a constructive and fruitful dialogue during the Global Round of Negotiations.

CSO: 4220/7429

## BANGLADESH

### PRIME MINISTER'S REMARKS ON ELECTION AT CONFERENCE

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 pp 1, 12

[Text] Chittagong, July 23: Prime Minister Shah Azizur Rahman today called upon the Opposition parties to participate in the forthcoming presidential polls and to prepare themselves for the next parliamentary elections for the greater national interest & to keep the pace of democratic process unhindered, reports BSS.

Shah Aziz, who is also the Vice-President of the Bangladesh Nationalist Party (BNP) said that "BNP is ready to hand over power through ballots and not through bullets".

The Prime Minister was addressing as the chief guest the special workers conference of Chittagong metropolitan branch of BNP at the Muslim Institute auditorium here in the afternoon.

The Deputy Speaker of the Jatiya Sangsad Mr. Sultan Ahmed Chowdhury was the special guest on the occasion while Mr. Salimullah, President of the branch presided.

The BNP central leaders Messrs. Swakat Hossain, Khaliquezzaman, Mahmudul Karim MP and local leaders Messrs Shamsul Huda Advocate, Serajul Islam Mr. Mahmudul Karim Wahidul Alam and Shahdat Hossain also spoke on the occasion.

Shah Aziz said that BNP adhered to the democratic process and did not believe in politics of terror or killing. "Zia came to power not through the politics of killing or through any military coup", he said adding that Zia had come to power through a revolution. The Prime Minister said that Zia was an exceptional leader who re-established democracy in the country and returned back power to the people of the country".

Bitterly criticising the present role of Awami League (Hasina) the Prime Minister said that the party was undemocratic and create confusion to come back to power through the back door.

"There is no consistency in its (AL) commitments as they pledge to establish parliamentary democracy on the one hand and on the other they express their firm determination to materialise the BAKSAL concept", he observed.

The Prime Minister maintained that Awami League, JSD etc. had no popular support among the rural masses. Their activities are limited in some city areas. The vast rural masses had rejected their politics as the people painfully experienced the nature and style of their so-called socialism, secularism and nationalisation, he added.

Calling upon the BNP workers to materialise the ideals of late President Ziaur Rahman Shah Azir said that the BNP started its work with double enthusiasm after the death of Ziaur Rahman to keep national unity integrity and sovereignty at any cost.

He said that the "dead Zia was more powerful than the living one". He said that late President Zia had given a dimension for development and a political philosophy to the nation which the leaders in the past had failed to give.

The Prime Minister said, "It was President Ziaur Rahman who had created a unique example of transferring power to the people being an Army General coming to power through revolution".

Shah Aziz said that it was Ziaur Rahman who had restored full democracy established a sovereign Parliament and gave freedom of the Press and speech to the nation.

The Prime Minister urged the BNP workers to motivate the people so that Justice Abdus Sattar may win a remarkable victory in the forthcoming presidential election as a BNP nominee.

He said that only through electing Justice Abdus Sattar as President BNP could show respect to the great departed leader and his ideology.

Justice Abdus Sattar is the most trusted and honest colleague of the late President, he added.

CSO: 4220/7429

NATIONAL FRONT SETS CONDITIONS FOR ELECTIONS

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 pp 1, 12

[Text] The newly formed "National Front" reiterated its five-point demands made earlier by the 18-party alliance including shifting the date of presidential election to third week of November. The Front called upon the government to accept the demands. It said that if the demands are not accepted immediately the Front will observe resistance day on August 10.

Mr Ataur Rahman Khan Convener of the Front declared this at a Press conference held on Thursday at his Dhanmondi residence.

The five demands of the Front includes withdrawal of emergency release of detenus repeal of 'black laws' equal facility to all contestants and end to political oppression.

Leaders of the component political parties of the Front were present at the Press conference. The leaders present at the conference were Khondakar Moshtaq Ahmed Mr Oali Ahmad and Shah [name illegible] Hossain of Democratic League Kazi Zafar Ahmed of United People's Party Mr Justice B. A. Siddiky of Muslim League (Siddiki) Mr Nurur Rahman of National Awami Party (Nurur) Mr Abu Naser Khan Bhashani of National Awami Party (Naser) Mr Anwar Zahid of Ganotantrik Party Mrs Amena Begum of Bangladesh Jatiya Dal Moulana Abdul Matin of Labour Party Mr Farmanullah of Islamic Republican Party Mr Nurul Huq Mehedi of Ganotantrik Karmi Shibir.

Mr Ataur Rahman Khan who is also the President of Bangladesh Jatiya League in a five-page written statement reiterated the Front's belief in parliamentary form of government. He said that the Front was interested in participating in the forthcoming presidential election because it considers this election as part of a greater struggle for parliamentary democracy.

Mr Khan also appealed to other parties to join the Front on the basis of three basic principles. These are safeguarding the sovereignty and independence of the country parliamentary democracy and self reliant national economy.

The Front he said believes in relentless struggle against social imperialism imperialism expansionism and hegemonism. It further said that the sovereignty and independence of the country must be safeguarded through struggle against the Indo-Soviet axis and their local agents.

Mr Khan in reply to a question said that it would be better if a common candidate by all Opposition parties was put up in the election. But he was skeptical about the possibility of such a candidate.

Replying to a question whether he himself was contemplating to contest the election, Mr Khan said that it was a secret decision. Later he told a questioner that he can only grumble if he was not nominated by the Front in the presidential election.

He also told a questioner that the Front will decide its course of action if the government shifts the election date by one month.

The Convener of the Front in reply to a question said that no party other than Samyabadi Dal led by Mr Mohammad Toaha and Islamic Democratic League have left the Front. He expressed hope that the number of the components of the Front may increase further.

CSO: 4220/7429

## BANGLADESH

### SULTAN MAHMUD APPOINTED CHIEF OF AIR FORCE STAFF

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 pp 1, 12

[Text] Group Captain Sultan Mahmud Bir Uttam acsc has been promoted to the rank of Air Commodore and has been appointed Chief of Staff Bangladesh Air Force with effect from Thursday according to a notification issued by the Ministry of Defence says an ISPR Press release issued on Thursday.

According to another notification, Air Vice-Marshal Sadruddin B.P. has been retired with effect from the same date.

Following is the brief life sketch of the newly appointed Chief of Air Staff Air Commodore Sultan Mahmud B.U. acsc.

Air Commodore Sultan Mahmud B.U. acsc was born in 1944 in the district of Naokhali.

Second son of Mr. Nurul Huda Air Commodore Mahmud had his early schooling in Armanitola High School Dacca and passed the Matriculation examination from the PAF Public School Sargoda in the year 1959.

Air Commodore Sultan Mahmud was graduated from the Air Force Academy Resalpur Pakistan in 1962 in the flying branch.

An operational fighter pilot as well as an operational helicopter pilot Air Commodore Mahmud did fighter leader school training in Iran in 1966. Amongst many places he also served along with the Frontier Works Organisation of Pakistan.

Air Commodore Mahmud took active part in the War of Liberation in 1971 and fought courageously in Section No. 1 under the then Sector Commander and late President Ziaur Rahman.

He commanded the first Air Force contingent of the liberation forces and later he took part in many operational missions during the war. For his acts of gallantry and devotion beyond the call of duty he was awarded Bir Uttam.

A graduate of Air Command and Staff College USA Academic Instructor School USA and the Helicopter Training School USSR Air Commodore Mahmud commanded different squadrons and Wings of Bangladesh Air Force. He commanded BAF Base Bashar

(Dacca) in 1973 BAF Base Lalmanirhat in 1975-76 and BAF Base Matiur Rahman (Jessore) in 1978-81. He also commanded the Cadet Training Wing at Jessore.

Before his appointment as Chief of the Air Staff Air Commodore Mahmud was the Asst. Chief of Air Staff (Administration).

Air Commodore Mahmud is married and has two children.

He takes keen interest in sports boxing and other extra curricular activities.

CSO: 4220/7429

# SPECIAL ENVOYS INVITE SATTAR TO MEXICO SUMMIT

Dacca THE BANGLADESH OBSERVER in English 23 Jul 81 p 1

[Text] Special envoys of the Mexican President and Austrian Chancellor, who arrived on Tuesday in connection with the forthcoming North-South mini-summit were received by the Acting President Mr. Justice Abdus Sattar at Bangabhaban in Dacca on Wednesday afternoon, reports BSS.

The emissaries—Prof. Mrs. Graciela de La Lama and Dr. Heinrich Querner—handed over a joint invitation letter to the Acting President requesting him to attend the summit meeting of 22 [word illegible] countries to be held in Mexico in October this year.

During the meeting they also conveyed to Acting President Justice Sattar the personal message and goodwill from President Zose Perez Portillo of Mexico and Chancellor Brune Kriesky of Austria.

Justice Sattar expressed his profound appreciation of the vision and initiative of the two leaders in convening the Mexican mini-summit and expressed the hope that the deliberations of summit would provide the impetus for the resumption of global negotiations in search for an equitable international economic order.

Earlier, the two emissaries called on Foreign Minister Prof. M. Shamsul Huq and Finance Minister Mr. M. Saifur Rahman and discussed with them matters relating to the forthcoming mini-summit.

Earlier Prof. Mrs. Graciela and Dr. Heinrich Querner called on Foreign Minister Professor Muhammad Shamsul Huq, at Foreign Office on Wednesday.

Welcoming the special emissaries, the Foreign Minister expressed his deep appreciation of the commendable initiatives of the Mexican and Austrian leaders in convening the summit.

The summit of the world leaders from 22 developed and developing countries he felt would result in a clearer perception of the world economic problems and a better understanding of mutual points of view. This would pave the way to a meaningful dialogue during the forthcoming global round of negotiations, Prof. Huq said adding the deteriorating world economic situation was a grave danger calling for concerned action on the part of the developed and developing nations.

The special emissaries also called on Finance Minister Mr. M. Saifur Rahman and discussed issues likely to come up at the Mexico mini-summit.

The Finance Minister told the envoys that Bangladesh was looking forward for a fruitful outcome of this summit particularly in obtaining political commitments for a new international economic order.

During the meeting Mr. Saifur Rahman expressed the hope that the summit would be able to come out with firm and committed programme for transferring resources from the developed to the developing countries in terms of UN resolution and would find some mechanism for financing the energy import of the developing countries.

The Finance Minister also hoped that the Mexico mini-summit would be able to assure concessional financing facility for energy development in the LDCs.

CSO: 4220/7426

BANGLADESH

COMMERCE MINISTER RETURNS FROM PRC 'FULLY SATISFIED'

Dacca THE BANGLADESH OBSERVER in English 23 Jul 81 p 1

[Text] State Minister for Commerce Chowdhury Tanbir Ahmed Siddiqui returned to Dacca on Wednesday from China "fully satisfied" with the dialogue with the Chinese leaders on promotion of bilateral trade and expansion of economic cooperation between the two countries.

Talking to BSS on arrival at the airport after signing the fifth barter protocol between Bangladesh and China in Peking Mr Siddiqui said, He was moved by the gesture of goodwill and friendship shown by the Chinese leaders and people in developing all round relationship between the two countries.

The fifth barter agreement which envisages a trade turnover of 37.5 million U.S. dollars each way was the second under the long term trade agreement signed with China last year. The present protocol showed an increase of more than 21 per cent over preceding one.

Mr Siddiqui said he had long discussions with his counterpart Mr. Li Qiang and other top leaders on bilateral trade and other matters of common interests. He said the Chinese leaders have expressed their willingness to help Bangladesh achieve her economic objective.

The State Minister said the tremendous feeling for late President Ziaur Rahman whom they described as the architect of building bilateral relation" between the two countries.

CSO: 4220/7426

FINANCE MINISTER ADDRESSES NATIONALIZED BANK CHIEFS

Dacca THE BANGLADESH TIMES in English 23 Jul 81 pp 1, 8

[Text] Finance Minister M Saifur Rahman on Wednesday described inflation as "number one enemy" and called for containing it, reports ENA.

He also warned the nation against adverse effects of accelerated credit expansion.

The Finance Minister was addressing newly appointed chairmen, directors and chief executives of the nationalized banks at Sonargaon hotel on Wednesday evening at an Iftar party.

He urged the banking institutions to take corrective steps and streamline their administrations to be able to play their role in boosting up economy.

He also reprimanded the banking executives for their failure particularly to step up efforts to recover advances.

He called for stern action delinquent borrowers and put their houses in order for smooth administration of the banking institutions.

Dwelling at length on the problems of the banking sector the Finance Minister regretted that their performances are not satisfactory. All the nationalised banks together could not even earn the profit of Taka 50 crores he reminded.

He said banks were the vital instruments for mobilising savings in the public sector and, as such, it is their bounden duty to step up savings for economic development.

He reiterated that mobilisation of savings had become very essential to boost economy, in this connection he pointed out the failure of the banks to make substantial recovery of the advances made to the borrowers.

He particularly referred to poor performances of the BSB and the BSRS in their recovery programmes and pointed out that BSB could recover only 35 per cent of the advances while BSRS make only seven per cent.

The Finance Minister called for stern action against the defaulters and started streamlining of the banking administration. He also advised banking administration to take measures for smooth administration in the sector to step up economic development.

In this connection the Finance Minister mentioned that the government had brought about structural change in the banking administration with a view to strengthening this vital sector.

Chairmen and board of directors appointed to different banks would be responsible for formulating policy guidelines to other chief executives of banks. The chief executives would in turn carry out the policy laid down for them, he said.

Henceforth, he said, all policy matters including appointment and promotion of the bank employees would be subject to scrutiny by the board of directors.

He stressed closer understanding between the new management board of the bank and its respective chief executives for smooth running of the banking service.

The Finance Minister expressed his firm hope that a new pattern of administration would eventually emerge following the structural change. This would help develop the banking service in a better way, he added.

Referring to recent World Bank, the Finance Minister said it had in fact had evaluated Bangladesh economy and for the first time made encouraging observation of our performance. The World Bank noted in its report that for the first time Bangladesh was able to attain better absorption capacity, better utilisation of the project aid and hence deserves greater assistance.

He said almost similar observation was made by the International Monetary Fund (IMF) on Bangladesh economic performance.

Referring to criticism about the size of the five-year plan, he said the framers of the plan were guided by consideration of idealism and not by pragmatism. He expressed the view that there is always shortcomings between attainment of idealism and pragmatism.

The Finance Minister dwelt at length on economic condition of the country and emphasised the need for mobilising domestic resources for financing economic programmes.

CSO: 4220/7428

## BANGLADESH

### PRC-BANGLADESH BARTER PACT SIGNED IN BEIJING

Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 1

[Text] The fifth Barter protocol between Bangladesh and China was signed in Peking on Tuesday envisaging a turnover of goods worth 37.5 million US dollars each way according to a message received in Dacca on Tuesday reports BSS.

The State Minister for Commerce Chowdhury Tanvir Ahmed Siddiky who is now on a visit to China and the Chinese Minister for Foreign Trade Mr. Li Qiang signed the protocol on behalf of their respective Governments.

The fifth protocol for 37.5 million dollars turnover provided for an increase of about 21 per cent over the size of the fourth protocol between the two countries.

The signing of the fifth protocol under the long term trade agreement of 1980 between Bangladesh and China came at the conclusion of formal trade talks between Bangladesh delegation led by Mr. Siddiky and the Chinese Minister Mr. Li in Peking during last few days.

Both sides bring the talks agreed to intensify promotional efforts aimed at expansion of trade between the two countries. It was also agreed that the negotiations for the next barter agreement would be held in Dacca next year for which the Bangladesh State Minister for commerce extended an invitation to Chinese Minister for Foreign Trade.

Under the new Protocol Bangladesh would export to China a number of items including raw jute jute goods hides and skins tobacco newsprint pulp hard board and particle board. On the other hand Bangladesh imports from China under the fifth protocol would include coal M.S. billets pig iron dyes and chemicals machinery and equipment light industrial products ingot moulds scientific instruments and native produce.

After the signing of the protocol the State Minister for Commerce said that signing of this barter protocol was another milestone in the trade and economic relations between the two countries. This he said was of special significance that it was for the first time barter protocol between Bangladesh and China was signed at ministerial level. Deep understanding on bilateral and international trade and economic issues represented the main achievements of this talks he added.

The Foreign Trade Minister of China Mr. Li Qiang expressed his pleasure and satisfaction at the outcome of the trade talks and said that the Chinese side would make allout efforts for successful implementation of the barter protocol within schedule time. In this connection he also recalled the great contribution of late President Ziaur Rahman who laid solid foundation of the Bangladesh China bilateral relationship.

CSO: 4220/7424

BANGLADESH

RESISTANCE TO SOVIET, INDIAN 'EXPANSIONISM' URGED

Dacca THE BANGLADESH TIMES in English 23 Jul 81 p 8

[Text] Bogra, July 22: Mr Nurul Huda Mirza, Chairman, Ganatantrik Party, called upon people to resist unitedly the expansionist activities of the Soviet Union and India in our country.

Addressing a Press conference at the local Press Club yesterday he said the two countries were threats to our sovereignty. He regretted the policy of appeasement pursued by the Government.

Earlier, speaking at a workers' meeting he said the assassination of late President Ziaur Rahman was not isolated from the activities of the Indo-Soviet axis and their internal agents. The large gathering at his Janaza was a massive demonstration against their heinous activities.

He urged upon the patriotic elements to be vigilant against the BKSALites.

He said that the Indian aggression on South Talpatty Island, Dahagram and Angarpota was a serious threat to our very existence.

Instead of facing the problems, the Government had resorted to arresting patriotic workers under Emergency powers.

Regarding the ensuing presidential polls he said the 18-party alliance, now National Front, would participate in it as a step of struggle to establish a patriotic Government and make country really sovereign.

Referring to Sheikh Hasina Wazed's threat to reduce the number of newspapers when her party regained power he said his party would resist her moves and would always fight to uphold the freedom of the Press.

Mr Mirza called upon the Government to withdraw false cases against the landless peasants and distribute 'khas' land among them.

The meeting was also addressed by Mr Tajul Islam, a central leader of the Party and Mr Idris Lohani, Mr Durgadas Mukherjee was in the chair.

CSO: 4220/7428

GOVERNMENT ISSUES STATEMENT ON SENIOR CIVIL SERVICE

Dacca THE BANGLADESH OBSERVER in English 21 Jul 81 pp 1, 8

[Text] The Government has given priority to merit for promotion to higher posts in place of reservation allowed to a certain cadre of service previously and thus made arrangement to appoint suitable candidates with the constitution of the Senior Service Pool, says a Government Handout issued to the Press on Monday.

The Senior Service Pool Order 1979, in fact, offered equal facilities to all classes of service to enter the Senior Service Pool only on the basis of merit.

The Senior Service Pool Order also removed rivalry and clashes obtaining at the Secretariat for the last half a century between the generalists and specialists.

The Handout further said that the Government rationalised pay scales for all cadres of service, unified service structure with the re-organisation of services.

Following is the text of the handout:--"The attention of the Establishment Division has been drawn to a news item published recently in a section of the Press on the reorganisation of services and administrative system.

"It deems expedient to narrate the exact position in order to do away with any misconception in the minds of the public.

"The first allegation levelled by BCS (Administrative) Association relate to the structure of services and the pay scales. These problems are not uncommon in many countries of the world. No Commission can ever please all sections of the employees at a time. As a result these problems are examined from time to time by successive Commissions.

"It is worthwhile to mention that the former Pakistan Government tried on two occasions to implement the recommendations of the Cornelious reports on service organisations but some interested quarters obstructed its implementation.

"In Bangladesh pay and services structure was finalised after thorough examination by the Council of Advisers and later on by Council of Ministers on the recommendations of the Pay & Services Commission. And in 1979 in response to demands of the members of the former services and as an outcome of the protracted consultations the pay scales agreed to were only implemented later. On this issue there

was no agitation during the last two years but suddenly now this matter is being agitated publicly. The way this is being pursued makes one tend to believe that fresh attempts are being made to create dissatisfaction among the members of the various service cadres. Government hopes that this is not motivated.

"The second allegation was that promotion in the Secretariat posts were held up for 3/4 years and thereafter promotion given to only a few officers had resulted in frustration amongst a large number of officers. The main reason for the delay was that immediately after Government started the initial work for promotion, a member of the former CSP cadre filed a Writ petition in the Hon'ble High Court and then again a former member of the ex-EPCS filed another writ petition and when he lost his case in the High Court he filed an appeal petition with the Hon'ble Supreme Court. During the pendency of the Cases Government could not obviously process the promotion cases nor could even proceed with the selection. This would show that the delay was caused by some members of the administrative Cadre and not by the Establishment Division.

"During centuries old colonial system of administrative rule major portion of the senior administrative posts were reserved for a particular class of officers. For them three-fourth of the administrative posts in the Secretariat were reserved and only one-fourth used to go to others. Obviously this resulted in wide-spread dissatisfaction amongst a large number of officers. Although this colonial administrative pattern was wholly irrational this suited the interest of the rulers of the time. However the same system was never followed in their own country. Therefore after the independence in 1947 necessity was felt to reorganise the services and to revise the old rules so as to give the country a unified services structure and rationalise the pay scales and at the same time to ensure opportunities to members of all services for higher Secretariat posts by removing elitism. Having regard to all these factors the Senior Services Pool was constituted in March, 1979.

"After constitution of the SSP the posts of Deputy Secretary in the Secretariat have been filled up on the recommendations of a high powered Selection-Board consisting of Ministers. Out of 123 officers of the rank of Deputy Secretary appointed in the SSP 76 are members of the BCS (Administration). It hardly needs mention that the Chairman of the Selection Board was a non-political Minister and he held very responsible positions in the administration like that of the Chief Secretary to the Government and later Chairman of the erstwhile Central Public Service Commission for several years. If it is alleged that the process of selection was defective then how the lion's share of the posts of Deputy Secretary could go to the members of the BCS (Administration). The allegation made by the Association on this point is nothing but self contradictory.

"It is a fact that some members of the Ex-EPCS (now BCS Administrative) of 1961-67 batch have been left out. But when the selection was made on the competitive selection basis on merit and service records it is only natural that everybody cannot qualify.

"As for the allegation of exclusion of so many officers on account of the minimum length of service formula for 15 years and the age limit of 45 years it needs to be mentioned that there was no such limit at the time of interview of these officers. Had it not been so how so many officers already handicapped appeared

for viva test and promoted as Deputy Secretary in the Senior Services Pool. The selection was made purely on merit after giving everyone his chance. Whether it is possible to relax the limitation of service length and age is being considered. It may be added that the members of that service have avenues of promotion to the posts of Additional Deputy Commissioner, Deputy Commissioner, Commissioner etc. and there no any restriction of age for such promotion.

"It has been argued by the Association that reservation of 75% of the posts of Deputy Commissioners for the Pool-Officers has blocked the promotion scope of the members of the service. This is far from true. Because it has been provided in the SSP rules that officers having the requisite qualifications like administrative experience and training will be posted to these posts. The Pool-Officers belonging to other services have no such experience and background. So the question of posting any officer other than those belonging to the BCS (Administrative) to the district administration does not arise. In fact nobody other than from the Administrative cadre has yet been appointed as a Deputy Commissioners. Therefore the apprehension on this account is baseless.

"There had been a cold war for half a century between the generalists and the technocrats for higher positions in the Secretariat and the SSP has given a new solution to the problem. Thus a new system has been introduced for selection of officers on merit basis, after abolition of the highly controversial quota system for a particular cadre of service. It may not be out of place to mention here that some technocrats like the doctors and engineers were appointed to the posts of Secretary after 1960. So the new idea of the SSP does not in fact come in conflict with the old systems altogether.

"SSP has been created to ensure equal treatment to the members of all services and to ensure advancement of officers of various services. The pay scales of the members of all services having equal responsibilities were equalised and the national pay scale published two years back were accepted by all. But when equal treatment is being extended to the members of all services on selection and equitable basis, the member of a particular cadre who previously enjoyed lion's share in the senior administrative posts, have come up with a number of baseless grievances as the present system goes much against their vested interest. In fact this is an attempt to deny political supremacy over the administration. It is difficult to understand why this time has been chosen to raise such extrenuous issues afresh in an attempt to vitiate the entire climate.

"In the post independence period the volume of works naturally increased as a result of which the Hon'ble President appointed a Minister for Establishment Division. Establishment Division has been placed in-charge of a Minister in many other countries. Moreover whether there will be Minister for a particular Ministry or Division is not a matter to be agitated in the Press by the Government servants and to do so is not only against rules but whether that exceeds the limit on the part of the Government servant is a matter for consideration.

"Under democratic system, Government gives the policy decisions and the officers are to implement them and as a rule the officers can never play a role of the people's representative. From the newspapers' report it appears that the officers of the BCS (Administrative) are in favour of revival of the SSP for selection of officers for senior posts. The Council Committee has been entrusted with the

job so that officers of the level of Joint Secretary and above are recommended by a body unbiased by any service interest.

The reorganisation of the services was made only a few months back and--the last date for appointment of officers in the SSP has expired a few days back and thus the question of any attempt of evaluation so soon is neither fair nor desirable. It may be recalled that services reorganised and decision about the constitution of the cadres were published in September, 1980 and the national papers hailed the Government decision as step towards the right direction.

CSO: 4220/7422

DACCA GROUP ASKS REPEAL OF ENEMY PROPERTY ACT

Dacca THE BANGLADESH OBSERVER in English 21 Jul 81 p 3

[Text] The Enemy (vested) Property Act Resistance Committee on Sunday demanded immediate repeal of the Enemy (vested) Property Act, reports BSS.

Addressing a Press conference at Jatiya Press Club in Dacca on Sunday afternoon the office bearers of the committee also demanded formation of a Management Board with the representatives of religious minority community for proper custody of the property acquired by the Government in the absence of legitimate claimants.

They further demanded the return of the property acquired from the Bangladesh partners enjoying such property at the consent and arrangement of the Indian partners.

The Press conference was addressed by Mr. Justice Devesh Bhattacharya President of the Committee Mr. Shudangshu Shekhar Halder MP (AL-Hasina) and Mr. Suranjit Sengupta MP (Jatiya Ekota Party).

Advocate Aminum Haque General Secretary of the Committee read out a prepared statement containing the background of the Act and demands of the committee.

According to the statement 8,41 192,44 acres of land and 21,962 houses are listed under the Act in the country. There are also more than six lakh cases pending in different courts of the country under the Act.

CSO: 4220/7422

MUKTIJODDHA SANGSAD LEADERS CALL FOR UNITED FRONT

Dacca THE BANGLADESH TIMES in English 25 Jul 81 p 8

[Text] Chairman of Bangladesh Muktiyoddha Sangsad Lt. Col. (Retd.) Nuruzzaman and Organising Secretary K M Mahbubul Alam yesterday called upon the "pro-liberation" political parties to unite and to put up a common candidate in the forthcoming presidential polls for establishing parliamentary democracy in the country replacing present "autocratic rule", reports ENA.

In a joint statement they also urged the pro-liberation and democratic-progressive elements within Bangladesh Nationalist Party (BNP) to unite against the "anti-liberation forces and palace-conspirators" for consolidating independence, sovereignty and democracy.

Lt. Col. Zaman and Mr. Alam said Muktiyoddha Sangsad was not a political organisation, but as sentinel of national independence and sovereignty and as a part of their duty to the nation they were urging all pro-liberation forces to sink petty differences and foil the "evil designs" of the anti-liberation elements.

They said national independence was above party and individual interests. If the pro-liberation forces now failed to consolidate unity they apprehended, the anti-liberation elements would take advantage of the situation.

CSO: 4220/7431

MARXIST-LENINIST CHIEF DISOWNS NATIONAL FRONT

Dacca THE BANGLADESH TIMES in English 25 Jul 81 pp 1, 8

[Text] Mr Mohammad Toaha, MP has disowned his party's association with the newly-formed 'National Front' led by Mr Ataur Rahman Khan.

In a statement to the Press on Friday, the chief of the Bangladesher Samyabadi Dal has stressed the need for creating an alternative left leadership instead of serving as a stooge of petty bouregoisie bureaucracy and comprador leadership.

Denying his party's association with the 18-party alliance, subsequently renamed National Front, Mr. Mohammad Toaha said that on May 28 last, 14 political parties had held a meeting where they decided to organise a hartal on June 5 in protest against Indian invasion of the South Talpatty island. The move, however, had to be suspended following the assassination of President Ziaur Rahman on May 30.

Mr. Mohammad Toaha said that the country was not facing a constitutional crisis and the main question before the nation was the presidential election. He said that there was no question of forming any front with parties with whom his party had basic differences on constitutional and economic policies. Without resolving these issues the formation of a National Front would be like putting the cart before the horse.

CSO: 4220/7431

HUQ MAKES STATEMENT ON DEPARTURE FOR LONDON

Dacca THE BANGLADESH OBSERVER in English 25 Jul 81 pp 1, 8

[Text] Foreign Minister Prof. Shamsul Huq said in Dacca on Friday that the task before the preparatory meeting of the Foreign Ministers of 22 developed and developing countries in Mexico beginning August 1 was extremely important reports BSS.

The meeting is expected to prepare grounds for the forthcoming mini-summit in October in Mexican city of Cancun by developing a consensus on both the agenda and procedure of the summit. He told newsmen Friday night before leaving for London en route to New York and Mexico.

In a departure statement at airport, the Foreign Minister said that procedural matters had in the past presented serious difficulties which had been indicated by the repeated dead lock in the North-South dialogue. He hoped that the informal character of the meeting in Mexico would provide a different atmosphere for exchange of views informally. This would also hopefully lead to the clearer perception of the global character of the present world economic crisis and of interrelationship and inter dependence of the rich and poor nations he added.

Prof. Huq said that it was against the conceptual context that Bangladesh proposed to put forward its views on the imperative need for closer cooperation in the interest of countries of both North and South. The deterioration in world situation he pointed out had made it abundantly clear that the existing system and structure of the world economy "are totally anachronistic and thereby incapable of meeting the challenges of the contemporary world".

Stressing the paramount need for expanding the overall production of goods and services through concerted global measures the Foreign Minister said all these would generate more employment income and market providing for arrest of the slowing down of economic growth.

He said the problems currently bedevilling both rich and poor nations had abundantly made it clear that the flow of resources production efforts and access to the market must be rationally planned on a global basis leading to the harnessing of the enormous resources in developing Third World. All this he noted would generate additional expanded productive employment of the vast human resources in these countries now lying unutilised or under utilised.

The Foreign Minister said that one of the immediate benefits of such a process of equitable distribution of resource production effort and employment will be elimination of poverty which is the worst pollutant on our planet.

Prof. Huq said that during his stopover in London on way to New York and Mexico he would hold bilateral meeting with British Foreign Secretary Lord Carrington and exchange views with him on the business before the preparatory meeting in Mexico.

In the U.N. headquarters in New York he said he would attend a meeting of the 14 Foreign Ministers of the developing countries for exchanging views on the forthcoming Mexico meeting. He said on July 30 he was scheduled to have a meeting with the UN Secretary General Dr. Kurt Waldheim on the contemporary world situation and also on the forthcoming mini-summit.

Prof. Huq will attend the 2-day preparatory meeting in Mexico of the 22 Foreign Ministers of the North and South beginning on August 1.

Foreign Secretary Mr. Humayun Rashid Chowdhury and British High Commissioner Sir Michael Scott were among those present at the airport to see the Foreign Minister off.

CSO: 4220/7430

PARLIAMENT SPEAKER LEAVES FOR BEIJING 24 JUL

Dacca THE BANGLADESH OBSERVER in English 25 Jul 81 pp 1, 8

[Text] Speaker Mirza Golam Hafiz left Dacca on Friday evening for a fortnight's visit to China at the invitation of the Standing Committee of the National People's Congress (Parliament) reports BSS.

Talking to newsmen prior to his departure Mr Hafiz said that during the 14-day visit he will meet the top Chinese leaders and discuss matters of bilateral interest and regional and international issues.

The Speaker said that strengthening of bilateral and regional co-operation and ties of friendship with China will "stabilise the region of Pacific and Indian Ocean and contribute to world peace".

Mr Hafiz said that he will also discuss with the Chinese leaders about a proposal for the formation of an Asian parliamentary union including China with a view to promoting more understanding among the parliamentarians in the region. The speaker is accompanied by his wife.

The Speaker said that during the visit he will meet the Chairman of the Standing Committee of the Nation People's Congress Marshal Ye Jian-ying President of the Chinese Association for Friendship with Foreign Countries Mr. Wang Bing-nan and Chairman of the Central Committee of the Chinese Communist Party.

He will also meet the head of the Chinese judiciary President of the Supreme People's Court and study the revolutionary change in Chinese legal system after long 32 years and how the people adjusted with the new system.

Under the new legal system a basic change was brought about in the Chinese Constitution which provides freedom of the Press and restoration of fundamental rights of the people the Speaker said.

Mirza Golam Hafiz said that he will also visit Sinkiang the largest autonomous province in north-east China which has 99 lakh Muslim population and will observe Eid-ul-Fitr with the Muslim brethren there.

He said this will help promoting cultural and other bilateral relations between Bangladesh and China.

The Speaker will also study the agriculture modernisation in China with particular reference to the increase of production and managing the rural unemployment which is followed by mechanisation.

The Speaker is expected to return home on August 7.

CSO: 4220/7430

BANGLADESH

ZAMBIAN LEADER SENDS CONDOLENCES ON ZIA DEATH

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 pp 1, 12

[Text] The visiting Zambian special envoy Mr A C Chalikulima on Thursday called on Foreign Minister Prof Muhammad Shamsul Huq, reports BSS.

He conveyed a message of President Kenneth Kaunda expressing deep shock and sorrow at the sudden and tragic death of President Ziaur Rahman.

President Kaunda in his message described late President Zia as his personal friend and as a dynamic and effective leader of not only Bangladesh but the entire world.

President Kaunda said he greatly valued the contribution of President Zia in the development of bilateral relations between Bangladesh and Zambia.

The death of President Zia is an irreparable loss for Bangladesh and for the whole world.

The Foreign Minister expressed his deep appreciation to the special envoy for the thoughtful message of condolence and the kind sentiments expressed by President Kaunda about the martyred leader of Bangladesh.

Prof Huq recalled the historic talks during the Lusaka Commonwealth Conference in which late President Zia also participated that led to the transfer of power to the elected representatives of the people of Zimbabwe.

The Foreign Minister assured the special envoy that Bangladesh would continue to work in close cooperation with Zambia.

He hoped that the relations between the two friendly countries would grow from strength to strength.

CSO: 4220/7429

BANGLADESH

FOREIGN MINISTRY REFUTES INDIAN REPORT ON ASSETS

Dacca THE BANGLADESH OBSERVER in English 25 Jul 81 p 1

[Text] A Foreign Ministry spokesman on Friday categorically rejected as totally baseless Indian Press reports that Bangladesh had dropped its claim on its share in Pakistani assets reports BSS.

On the contrary the spokesman said it was well known that negotiation on questions of assets and liabilities between Bangladesh and Pakistan were continuing and the Foreign Secretaries of the two countries during their last meeting in Dacca in October 1980 had agreed to set up a working committee and study this matter in all its aspects.

He said composition of Bangladesh side of this committee has already been communicated to Pakistan and it is expected that the committee will start its work shortly.

'Bogus'

A New Delhi report says: Another Indian daily the TIMES OF INDIA on Thursday came up with a report that "Bangladesh has now dropped its claim over the assets of united Pakistan".

A front page story to this effect came close on the heels to the one by another daily on Sunday last that Pakistan had offered Bangladesh to deploy one lakh troops along Indo Bangladesh border.

The report brought sharp denial from Bangladesh when the Embassy to Islamabad had described it as bogus.

The decision to drop the claim on the assets was taken by the Government that took over after the killing of President Ziaur Rahman according to the TIMES OF INDIA.

CSO: 4220/7430

PROGRESS, RESULTS OF CANAL-DIGGING PROGRAM NOTED

Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 1

[Text] The nation-wide canal-digging drive through voluntary participation has brought about a radical change in the development of the country's water resources for boosting agricultural production.

The drive which has reduced cash expenditure for building a round-the-year irrigation network has already covered nearly 22 lakh acres to grow at least three crops including two paddies after the execution of the second phase of the programmes.

Quoting latest statistics an official spokesman of the programme told BSS on Tuesday that a total of [number illegible] projects were completely executed while works on 79 other projects remained half done due to early rain in the second phase of the programme.

The second phase was originally set for digging 700 canals but in view of the great public demand the number shot up to 965 projects he added.

The 865 newly-dug canals which have covered a total length of 2,961 miles would bring 15.50 lakh acres of land under lean season irrigation command. In the first phase 5.52 lakh acres of land were brought under irrigation facilities by digging 193 projects which had covered a total length of 675 miles.

One lakh four thousand maunds of wheat at the rate of 15 per cent of the total cost of the projects were utilised in the first phase while three lakh maunds of wheat were allotted in the second phase for landless and day labourers who participated in the programme.

The cash grants for purchasing spade and basket publicity and prize and maintenance of the projects stood at Taka 60 lakh in the first phase while Taka one crore 80 lakh in the second phase.

Tens of thousands of people under the direct inspiration and command of the late President Ziaur Rahman lifted 66.73 crore cubic feet of earth in the first phase while millions more dug 232.90 cubic feet of earth in the second phase.

So far 11,500 sets of irrigation power pumps have been sanctioned of which 4,000 have already been fielded in different project sites.

With the optimum utilisation of canal waters the additional foodgrain yield is estimated at 21 lakh tons including six lakh tons in the first phase.

Meanwhile the spokesman said Government has decided to continue the nation wide voluntary canal-digging programme the first phase of the late President's peaceful revolution to build an easy irrigation network for developing and controlling surface water in order to provide dependable and timely irrigation for winter crops.

Achievement of the national goal of increasing food production to 20 million tons during the Second Five Year Plan depends largely on the extension of the irrigation to a total area of 72 lakh acres by 1985 from the 1977-78 level of 28.75 lakh acres.

The voluntary canal digging programme has provided irrigation facilities to 21.02 lakh acres by the end of canal digging season 1980-81.

The financial outlay in flood control and water resources development programmes in the Second Five Year Plan is estimated at Taka 3,000 crore.

Of the two major agencies responsible for water resources development BADC's programme of irrigation through low lift pumps shallow tubewells and deep tubewells will require Taka 1223 crore. A provision of Taka 1,523 crore has been made in the plan to implement Bangladesh Water Development Boards portfolio of programmes which in addition to irrigation includes flood control and drainage survey and investigations town protection barrage construction and miscellaneous services.

Besides the programme in the private sector includes irrigation of 14.35 lakh acres of land 4.35 lakh acres through STWS under Bangladesh Krishi Bank HTWS under the Integrated Rural Development Projects and ten lakh acres under the traditional methods.

Quoting a survey report on the revolutionary programme the spokesman said that the canal digging had created much enthusiasm among the common masses particularly the beneficiaries to achieve self reliance on voluntary basis.

Canal digging had also been acting as an instrument for the development of less developed regions in order to help achieve as far as possible a balance development of all regions.

The fruits of the canal digging programme have been encouraging the rural masses for taking other relevant development programmes on voluntary basis.

DDO- 4220/7424

## BANGLADESH

### LOAN AGREEMENT WITH JAPAN SIGNED IN DACCA

Dacca THE BANGLADESH OBSERVER in English 21 Jul 81 p 1

[Text] Bangladesh will receive from Japan a total of Japanese yen 27,250,000,000 (about 206 crore taka) as commodity and project loans under an exchange of notes signed in Dacca on Monday reports BSS.

Out of the two loans the commodity loan worth yen 17 500 000,000 (about 132.22 crore taka) will be utilised by Bangladesh for procurement of a wide variety of items like industrial raw materials and spares' equipment and machinery chemicals fertilizer cement and raw cotton. The loan is fully untied.

The project loan for yen 9 750 000,000 (about taka 73.66 crore) will be utilised for implementation of the proposed Chittagong urea fertilizer project.

The exchange of notes for the two loans was signed at the Planning Commission by Japanese Ambassador Mr. Hirohiko Otsuka and the Secretary of External Resources Division Mr. A. M. A. Muhith on behalf of their respective governments.

Both the loans will be available for utilisation after signing of formal agreement between the Overseas Economic Cooperation Fund (OECF) and the Bangladesh Government in Tokyo soon.

Repayable in 30 years including a grace period of 10 years both the Japanese loans for current fiscal year will bear an interest of 1.25 per cent per annum.

A Japanese Embassy Press release said by the present economic assistance the third of its series this year Bangladesh will have received yen 47 940,000 000 (approximately taka 369 crore) in total both in the form of loan and grant since April 1981.

The major portion of the commodity loan will be allocated to different agencies for financing items under the current import policy and the balance for meeting the commodity requirements of the development projects in the public as well as private sectors.

Procurement under the project loan for the Chittagong urea fertilizer plant will be made from all OECD countries and the LDC's (including Bangladesh). Japan is one of the co-financiers of the urea fertilizer project the other partners being the World Bank The Asian Development Bank Saudi Fund for Development Islamic Development Bank Abu Dhabi Fund and Canada.

The allocation of 9.75 billion yen (about 44 million dollars) for the fertilizer project is part of the expected Japanese assistance of 60 million dollars for the same project.

Speaking after the signing of the notes Japanese Ambassador Mr. Otsuka said that the exchange of notes today was an expression of Japanese government's willingness to continue to cooperate with the people of Bangladesh in their nation building activities initiated by late President Ziaur Rahman. He said Japan was determined to help Bangladesh and to see her (Bangladesh) as a prosperous nation.

The Secretary of ERD Mr. Muhith said that the early signing of the commodity loan from Japan would be very helpful for the current import policy of Bangladesh. He said that Japan with an economic assistance of about 210 million dollars last fiscal year became the largest bilateral donor to Bangladesh.

According to ERD sources since January this year Japanese loans and grants to Bangladesh totalled to 224.30 million dollars.

CSO: 4220/7422

**BANGLADESH**

**JAPAN MAKES GIFT OF FARMING TOOLS TO DACCA**

Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 1

[Text] Bangladesh on Tuesday received agricultural appliances and other accessories worth Taka 1.25 million as grant from Japan to use in the training programme of the Agricultural Extension Institute reports BSS.

The Japanese Ambassador in Bangladesh Mr. Hirohiko Ohtsuka formally handed over the appliances on behalf of his Government to Mr. A. Z. M. Obaidullah Khan Secretary Ministry of Agriculture and Forests at a simple ceremony at the Institute of Dacca on Tuesday morning.

The gifts included tractors, pumps harrow bottom plough disk plough strake canopy and other accessories.

Speaking on the occasion the Japanese Ambassador said Japan has so far given aid worth 1058.07 million US dollars. He also expressed the desire of his Government for continued and increased support to the economic development of Bangladesh.

Reciprocating the sentiment Mr. Obaidullah said Japan is the "major" partner of agricultural and economic development of Bangladesh. He thanked the Japanese Government for the gift.

CSO: 4220/7424

## BANGLADESH

### BANGLADESH JUTE MILLS CORPORATION REPORTS PROFITS

Dacca THE BANGLADESH OBSERVER in English 12 Jul 81 p 1

[Text] The Bangladesh Jute Mills Corporation (BJMC) has earned a profit of about Taka 40 crore during the last financial year (1980-81) according to informed sources in Dacca on Saturday, reports BSS.

This is for the second successive year that the Corporation made profit without subsidy. The BJMC earned a profit of Taka 116 crore in 1979-80. The sources said that sharp decline in the price of jute goods in international market and high cost of raw jute had contributed to the lower profit earnings in 1980-81. The foreign exchange earnings however will be at par with the record earnings of 1979-80, the sources said.

The BJMC have already shipped a total of four lakh 86 thousand 708 tons of jute goods worth Taka 579.40 crore in foreign exchange. The previous foreign exchange earning record of Taka 595 crore was set in 1979-80 by exporting four lakh 40 thousand tons of jute goods to various buyers.

The sources said that the production of jute goods of five lakh 80 thousand 853 tons during the last fiscal year (1980-81) had exceeded the all time high record of 1969-70. That year's production of five lakh 60 thousand 507 tons was regarded as the peak year of jute industry.

This feat on the part of BJMC is mostly due to measures taken by the administration in the reduction of wastages maintaining of quality and specimen and timely shipment the sources said.

The production loss till last May of 1980-81 due to power failure and labour unrest stood at 32,603 tons.

The sources further said that demand of Bangladesh jute goods was increasing rapidly and the number of international buyers now stood at 105 countries including 18 south and South-East Asian countries. Steps are being taken to further expand the jute goods market, he said.

CSO: 4220/7432

BANGLADESH

COMMITTEE TO PROMOTE RAW JUTE EXPORT PLANNED

Dacca THE BANGLADESH OBSERVER in English 21 Jul 81 p 1

[Text] Narayanganj, July 20:--Jute Minister Mr Habibullah Khan said here today that the Government had decided to set up a joint committee with members from the public and private exporters for promotion of the export of raw jute, reports BSS.

Opening lucky purchase of jute of the Jute Trading Corporation (JTC) at the local Lezarus Press House Centre this evening, the Minister said that constant watch would be kept to ensure the fair export price of raw jute this year.

Mr Khan also said that there would be no statutory minimum price of jute for the current season. He said that lifting of the statutory minimum price of jute produced good result and the growers got the jute price of their jute.

To ensure it this year he added that all markets would be kept under the constant review.

Turning to the jute traders the Jute Minister observed that it was the right of a trade to be or not in jute trade but one in trade must abide by the ethics of jute trade and should carry out the responsibility of one towards the growers and the nation.

The Minister expected that all the jute traders who are involved in trading would review their licences within the extended time to fulfil their obligations as far as business principles were concerned.

Mr Habibullah Khan urged the public and private exporters to be of their utmost for proper placement of jute in the foreign markets and help increase hard currencies for the country. In this context, he said that last year's export of raw jute totalled 19 and a half lakh bales.

CSO: 4220/7422

BRIEFS

GREETINGS TO SADAT—Acting President Mr Justice Abdus Sattar has sent a message to Mr. Mohammad Anwar El-Sadat President of the Arab Republic of Egypt on the occasion of its National Day, reports BSS. Following is the text of the message: "On the happy occasion of the National Day of the Arab Republic of Egypt I on behalf of the Government and the people of Bangladesh and on my own behalf extend to Your Excellency and through you to the Government and the people of Egypt our heartiest greetings and felicitations. May I take this opportunity to convey best wishes for Your Excellency long life health and happiness and for the wellbeing and prosperity of the fraternal people of [as published]. Please accept Excellency the assurances of my highest consideration". [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 1]

MESSAGE TO POLAND—Acting President Mr. Justice Abdus Sattar has sent a message of greetings to Mr Henryk Jablonski Chairman of the Council of State of the Polish People's Republic on the occasion of its National Liberation Day. The Acting President said, "On the occasion of the National Liberation Day of the Polish People's Republic the Government and the people of Bangladesh join me in extending to Your Excellency our warm greetings and felicitation we are confident that relations between our two countries will continue to be strengthened in the years to come. May I avail of this opportunity to convey my best wishes for Your Excellency's health and happiness and for the continued peace and progress of the people of Poland." [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 1]

NATIONAL FRONT FORMED—The 18-party Alliance has been given an organisational structure naming it as "National Front" with Mr Ataur Rahman Khan President of Bangladesh Jatiya League as its convener. The front was formed in a meeting of the leaders of the component parties held on Tuesday at the Dhanmondi residence of Mr Ataur Rahman Khan with him in the chair. The National Front will announce its programme on Thursday at a Press conference to be held at the residence of Mr Khan says a Press release issued by Kazi Zafar Ahmed Chairman of the United Peoples Party. [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 1]

MEMORANDUM ON UK RIOTS—Jatiya Samajtantrik Dal (JSD) Workers Party and Sramik Krishak Samajbadi Dal on Monday urged the British government to take meaningful steps to stop racial conflict and protect the life of non-White immigrants particularly the Bangladesh nationals living there, reports ENA. In a memorandum jointly presented to the British High Commissioner in Bangladesh, the three parties observed the present racial conflict in the UK is the obvious result of

Prime Minister Thatcher's pressing for Nationality Bill and which caused "insecurity distrust and hardest sufferings of the immigrants". These policies gave direct encouragement to the racial discontent" the memorandum alleged. The memorandum was presented by a delegation of the three parties which comprised Major (Retd) M. A. Jalil and A. S. M. Abdur Rab President and General Secretary of JSD Mr. Hyder Akbar Khan Rono and Nasim Ali Secretary General and Central Committee member of Workers' Party and Siddiqui Rahman and Nirmal Seen of Sramik Krishak Samajbadi Dal. [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 3]

MORE ON UK RIOTS--The National Committee of Krishak Sramik Party on Monday urged the government to send a parliamentary delegation to see the "actual condition" of Bangladesh nationals living in Britain in the wake of the race riots there. An emergency meeting of the committee chaired by party President Mr. A. S. M. Solaiman MP at the party head office expressed deep concern at the race riots in UK. [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 12]

AMBASSADOR TO UN--The Government has decided to appoint Mr. Farooq Sobhan, at present Director-General (International Organisations) Ministry of Foreign Affairs Dacca as Deputy Permanent Representative in the Permanent Mission of Bangladesh in the United Nations, New York with the rank and status of Ambassador, says a PID handout. Mr Sobhan graduated with Honours in History from the University of Dacca in 1961 and obtained a Master's Degree in History from Oxford University in 1964. He joined the erstwhile Pakistan Foreign Service in 1964 and served abroad on various diplomatic assignments in Cairo, Paris, Belgrade and Moscow. Since February 1978 Mr Sobhan held the post of Director-General (International Organisations) in the Ministry of Foreign Affairs. He is married and has two children. [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 12]

PRESIDENTIAL CANDIDATE--Mr. Khalilur Rahman Majumder a businessman of Chittagong on Wednesday announced his desire to contest the coming Presidential polls as an independent candidate and hoped he would win the election, reports BSS. Explaining the objectives and programmes at a Press conference at a local hotel, Mr. Majumder a contractor by profession has put no pre-condition like the shifting of the election date but demanded that the government facilities excluding cash grants which were given to each candidate in the last Presidential election should be offered this year too. If voted to power Mr Majumder would uphold the Presidential system of government but bring harmony in between the power of President and that of Parliament for ensuring democratic practices and bid to take the administration nearer to the people. Establishment of a corruption free society based on justice to ensure the independence of the people in every sphere would be his first task, Mr. Majumder pointed out. [Text] [Dacca THE BANGLADESH OBSERVER in English 23 Jul 81 p 8]

RETURNEES FROM BAGHDAD--Mr. Abdul Mannan member of the Presidium and Mr. Abdur Razzak General Secretary of Awami League (Hasina) and Mr. Shahjahan Siraj Joint Secretary and Mr. Hasanul Huq Inu member executive committee of Jatiya Samajtantrik Dal returned to Dacca on Wednesday from Baghdad. They went there on an invitation by the Arab Bath Socialist Party of Iraq to attend the Iraqi National Day functions. The AL (H) and JSD leaders left Dacca on July 10 for Baghdad. [Text] [Dacca THE BANGLADESH OBSERVER in English 23 Jul 81 p 8]

CSO: 4220/7425/7427

## SMUGGLED GOODS LARGE PART OF BURMA'S ECONOMY

Bangkok BUSINESS IN THAILAND in English Aug 81 pp 20-26

[Article by Tom Fawthrop]

[Text]

**E**very day of the year, millions of dollars, bahts and kyats change hands along the 1000 kilometre stretch of the scantily-recognised frontier known as the Thai-Burma border. But despite the huge volume of trade between the two countries, an estimated 85% goes unrecorded in the trade manuals, and only a paltry 15% of Thailand's trading relations with Burma appears in the official statistics. The reason is that overland trading means smuggling goods through rebel-controlled territories and contributing to what officials in Rangoon discreetly refer to as 'the other economy' believed to be something close to \$500 million in annual turnover and accounting for 80% of Burma's consumer goods.

Since General Ne Win assumed the reins of power with his military coup in 1962, the country has stagnated until recently, with the state-run economy lamentably failing to deliver the goods. All Burma's nationalised industries are run by Ne Win's trusted military colleagues, despite their near-total lack of administrative experience. But what the official economy cannot provide, the blackmarket invariably can, and Burma arguably has the most sophisticated and diverse alternative economy in the world, which although not loved by Rangoon's rulers, has nevertheless

achieved some kind of grudging acceptance as a highly necessary evil. One government official confided in me that even their own ministries use the blackmarket; "what can you expect?", he asked without pausing for an answer. "When one of our trucks break down and we need spare parts, if we want to import the gear it takes up to six months to pass all the red tape but on the blackmarket, you can put in an order, and it will arrive from the Thai border within a week!"

Nobody has benefited from the bizarre state of the Burmese economy more than the Karen National Liberation Army, that has been waging a 30-year-old struggle for independence and freedom of their ethnic minority people estimated at 10% out of Burma's 33 million population. The Karens have always complained of racial persecution by the lowland Burmese, and their leaders recall countless atrocities allegedly committed by Burmese troops ranging from burning down all schools and hospitals in liberated areas, to the raping of young Karen girls, and confiscating crops. A defiant mixture of pride, bitterness and courage has fuelled their seemingly endless struggle, with the Karen rebel's army about 5000 strong never able to do much more than hold on to liberated tracts of

jungle, and defend the status quo of their own administrative districts beyond the reach of Rangoon. Every year the Burmese army attacks Karen guerilla strongholds and every year, they are eventually beaten back — leaving the ethnic rebels with one victory still intact — a uniquely comprehensive regulation over the region's largest, most lucrative black-market trade.

**F**rom the Thai side, an army of traders cross into Eastern Burma, over old rickety wooden bridges, spanning the banks of the River Moei — a river that is effectively policed by KNLA gunboat patrols. The biggest frontier junction for smugglers is opposite the Thai town of Mae Sod. Here the bargaining and transactions begin, and traders from all parts of Burma, Bangladesh and even as far as India attempt to satisfy their many customers' requests. They load up with consumer goods, bales of cotton fabric, garments, tools, batteries, parts, and cross back into Burma. But instead of being processed by Rangoon's Customs and Immigration they are greeted by the guerillas from the 101 unit of the KNLA, who usher them in the direction of their own rebel checkpoints where the goods are routinely assessed and taxed at the standard 5% of purchasing value. The smugglers appear to readily accept the "powers that be" in Kawthoolei State (the name of Karen territory). Lining up in orderly queues, experienced Karen soldiers painlessly extract their dues, proffer receipts with an air of professional dignity, and remind all those passing through their territory that no Karen is allowed to take any more tax from them provided that they can produce their "tax clearance" receipt upon request. Armed jeeps provide protection for the regular convoys of traders embarking on the 4-day trek to Moulmein.

During my week's stay in what they refer to as Karen Free State I was visibly impressed by the disciplined integrity of the guerilla forces, their obvious administrative ability, business acumen and entire alternative apparatus of government. The 5% tax is not only levied on Burma's *invisible imports* but also on the remarkable array of exports. Passing out through the "peoples' customs" to be sold to Thais and Chinese traders are gems, jade,



pearls, rubber, cattle, ivory, antiques, silver and gold. More than a thousand smugglers are processed everyday. Once a week a cattle auction is held under the supervision of the Karen "government". On a good week over 300 heads of cattle will be sold to the Thai side, worth over \$50,000; a large consignment of precious stones could be worth even more.

Burma's world famous rubies, blue sapphires and jade are extracted from the far north, the Kachin state of the union of Burma. Like the Karen, the Kachin people are also an insurgent ethnic minority up in arms against what they perceive to be a Burman chauvinistic regime in Rangoon which forbids them to even use their own Kachin language.

Despite attempts by Burma's Gems State Corporation to exercise monopoly control, the majority of precious stones slips past all official controls and ends up on the Thai border, Mae Sai to the east, Mae Hong Son in the north-west and Karen-controlled Wankha opposite Mae Sod. Jade dealers come from as far away as Taiwan and Hong Kong to inspect the merchandise. Most of the gold also originates from Kachin State, and is one of Burma's many secret deposits of mineral wealth; how big and worth how much is anybody's guess.

**W**ankha is the most unlikely market-place and business community in the world. A small township of 1500 residents, and thronged by thousands more than passing through, it is canopied by thick vegetation jungle on all sides, and only 4-wheel drive vehicles can gain access to this remote "chamber of commerce", situated in a jungle clearing. This Karen-run trading centre known as 'Kaw Mu Ra' (in local Karen lingo) is a bamboo complex of houses and shops, looking much like any rural market-place in Thailand.

It's a curious multi-racial community. Karen, Thai, Burman, Kachin, Chinese, Shan, and Bangladeshi, all appear to happily mingle and different religions co-exist in harmony, within a few hundred yards of each other's churches, mosques and temples, thus giving

## The other taxation

Source	Income (in million dollars)
New Wankha	\$1.8
Palu trading checkpoint	1.6
Mining and forestry	2.05
Other checkpoints	0.7
Land tax State lottery Wankha market rent	1.85

credence to the guerillas' claim that in their liberated zone complete freedom of religion is practiced. This is not hard to believe as the guerilla chief for Karen '101' battalion in charge of Wankha administration, customs, excise and tax collection is Colonel That Muang who is a devout Seventh Day Adventist, and the Karen commander in chief, General Bo Mya is a practising baptist.

Other amenities include noodle shops, a dusty-bow of a football pitch, a cinema that alternates Indian and Chinese movies (secured from Thailand) and even its own limited supply of electricity from a generator that operates from 6.00 to 9.00. pm every evening. The shopkeepers pay a modest rental to the Karen government for the upkeep of the rebel township, the provision of schools, and one makeshift hospital.

Wankha is only one of six major checkpoints along the 520 kilometre rebel-controlled frontier where the KNLA is able to tax the smugglers and finance their struggle. But Wankha and Palu are by far the most lucrative - with Wankha bringing them an income of \$150,000 a month, and Palu only slightly less. In one year it adds up to over \$3 million in revenue adding the two key trading posts together.

In 1980 the annual Rangoon offensive was specifically targeted at another sector of rebel revenue — their mining "concessions" near the Three Pagoda Pass, not far from the River Kwai. The Karen exercise control over a number of mining interests — tin, wolfram and antimony which to the consternation of the Rangoon government constantly flow out of the country via the well-organized illegal channels.

According to Khun Puler Wah who could be described as the 'chancellor of the rebel exchequer', and one of the more unorthodox finance ministers in the region, mining and forestry accounts for 30% of their total income. It would no doubt be a lot more if the methods of mining had progressed beyond primitive stages of extraction. The Karen have put out tentative feelers to attract foreign investors, and at one stage millionaire Kuomintang warlord General Li Weng-Huan made an investment bid. So far nothing has come of attempts to bring in sophisticated mining equipment and KNLA officials complained that the KMT general's terms were unacceptable.

In a World Bank report on Burma it was indicated that vast quantities of tin were being smuggled out of the country. In one particular year Malaysian customs figures indicated that 4200 tonnes of tin ore arrived from Burma. For the same year Rangoon records showed that only 575 tonnes had been officially exported. Allowing for some illegal exports from Thailand disguised as Burmese tin, it would appear that roughly 50% can be put down to the dexterous business transactions of Karen Free State. A recent World Bank report put Burma's official exports of tin at 700 tonnes a year and claimed 2000 was being illegally exported.

Karen government finance minister Puler Wah says that another 1.85 million dollars a year was derived from domestic sources of revenue ie not based on taxing international trade, or selling minerals to the Thai side. People living under the rule of the Karen rebel

regime have to pay a land tax, based on sliding scale percentage of farmers' produce and the monthly state lottery organized by rebel headquarters.

Although other rebel armies obtain a lucrative slice of the action in taxing the burgeoning blackmarket trade, the biggest source of income among the Shan insurgents is unquestionably derived from the opium trade. However the Karens verge on the puritanical with their strict ban on all narcotics, no gambling or liquor inside their territory. The Karen movement can be said to be the only genuinely self-sufficient nationalist struggle among the many rebel armies fighting the Ne Win government, with its annual income of over eight million dollars from all sources. This budget according to Puler Wah is divided between military needs (defence) and civilian administration, and the people's welfare, in line with their only slightly exaggerated claim that two million people live in their liberated zones.

Defence costs are high, because of the lack of outside support for the Karen. They had to purchase weapons from the blackmarket in Thailand (although about 40% of their guns are captured from Burma's army). Only 30% of their annual budget is allocated to schools, hospitals, and welfare.

**B**urma with its many natural resources — 85% of the world's teak forest, diverse mineral wealth including copper, tungsten, tin, and silver, self-sufficient in oil with its Myanma State Oil Corporation already exporting modest amounts to Japan, and its potential to outstrip Thailand as the region's number one rice exporter (over million tons scheduled to be exported this year), is essentially a rich country masquerading as a poor one. Although the official economy has achieved a consistent 6% growth rate over the last few years, living standards are improving for the lowland farmers. Yet with the civil war, denying the government access or con-

trol over about 50% of the country's territory, from the Karens in the east to the Kachins in the north, the nation as a whole is only realising a fraction of its abundant potential. And the Karen's brilliantly run guerilla economy is a prime example of how over 50% of the nation's resources fall into rebel hands.

With no prospect of government troops crushing the indomitable spirit of the fiercely nationalistic Karen (sometimes referred to as the Gurkhas of Burma), and the stubborn President Ne Win exhibiting little interest in negotiating an end to the 33-year-old Karen rebellion, the Karen economy will continue to exercise multi-purpose functions. It challenges the corrupt and inept state-run bureaucracy; it fuels their guerilla resistance and finances the UDI government of Kawthoolei State; and it ironically helps the Ne Win government by regulating the never-ending flow of goods which keeps the blackmarket of Rangoon and Mandalay well-stocked with all essential items as well as luxury goods like colour TVs and videos that are now all the rage since the television age came to Rangoon last year. Right now the government cannot meet consumer needs without the smugglers' supply routes. Thanks to the Karen economy, the man in the street in Rangoon gets his toothpaste regularly — so the revolution is achieving something, after all. ●

CSO: 4220/286

## CONGRESS-U DECLARES UTTAR PRADESH PARTY POLL VOID

Calcutta THE STATESMAN in English 15 Jul 81 p 4

[Text] Bangalore, July 14.—The Congress (U) working committee has declared all organizational elections from the primary to the Pradesh Congress Committee held in Uttar Pradesh null and void. The executive, which met here on Sunday, appointed a committee headed by Mr D. K. Barooah to go into complaints regarding organizational elections in the State and requested it to submit its report soon. The committee removed Mr Shyamdhara Mishra from all posts held by him in the Congress organization because he was involved in a criminal case.

The committee authorized its president, Mr Devaraj Urs, to send Mr Mathuradas Mathur, a member of the executive, to U.P. to decide on an ad hoc president for the Pradesh Committee. Till he submits his report, Mr Mahmood Butt will be in charge of the PCC.

The executive has decided to issue a notice to Uttar Pradesh returning officer, Mr Ishwar Chandra Shastri, for violating the decision of the working committee not to go ahead with the organizational elections.

The committee also declared the organizational elections in Madhya Pradesh null and void. The Pradesh returning officer has been asked to look in the matter and submit a report.

Briefing reporters on the outcome of the working committee meeting, Mr Banke Behari Das, general secretary, said it was decided to hold a camp in Hyderabad from September 18 to 20 for party leaders to discuss political, economic and international issues and evolve the party's approach in the present context.

Mr Devaraj Urs said that the camp was meant to spell out clearly the political philosophy and programmes of the party. He said it had been decided to celebrate the centenary of the Indian National Congress which falls in 1985. "From now on we would like to make preparations for the coming celebrations", he said.

Asked about the attitude of his party towards other Opposition parties, Mr Urs said that they had allowed the State units a certain latitude depending on the local conditions. "That position continues but we will have no truck with the Congress (I)", he added. When his attention was drawn to the West Bengal unit cooperating with the Congress (I) in supporting a candidate in the recent by-elections, Mr Urs pointed out that the candidate had stood as an independent and both the Congress (I) and Congress (U) had supported him. "But West Bengal too has to follow the Central party direction" he said. Asked if any member had demanded his resignation from the party president's post, Mr Urs declined to comment.

## EASTERN COMMANDER VISITS IMPHAL, INSURGENCY CONTINUES

Madras THE HINDU in English 15 Jul 81 p 7

[Text]

IMPHAL, July 14

Lt Gen A S Vaidya, GOC-in-C, Eastern Command, has said that the insurgency problem in Manipur should be solved at a political level and not by force.

He appealed to the underground youths not to resort to violence and asked them to come overground so that their problems could be sorted out in a democratic way.

Force was being used to contain violent activities but the recent action of the extremists during the last few days were "retaliation" to the July 6 encounter at Teckchum in which seven hard core members of the so-called Peoples Liberation Army (PLA) were killed, Lt General Vaidya told newsmen here yesterday.

The Lt. General said that most of the Chinese-trained members of the PLA were either killed or arrested since the anti-insurgency programme was launched by the Army in Manipur in September last year. Two of them were however, at large he said.

The arrested leader of PLA, Mr Bisheer Singh would be handed over to the civil police soon after he recovered from asthma and tuberculosis, he said.

Lt General Vaidya later flew to Kohima to greet second Lt Vyrus Pithawala, who was slightly injured during the July 6 encounter with the PLA.

During his one-day stay here the Lt Gen also held discussions with the State Chief Minister Mr Rishang Keishing on the law and order problem situation in the State.—PTI

## No end to trouble

It has now become increasingly clear that even with the arrest of Bisheer

the bloody chapter of insurgency in Manipur will not be closed.

Manipur is now reeling under the recrudescence of violence unleashed by Chinese trained rebels to settle scores with the Army which arrested Bisheer and killed seven hard core men last week.

On Sunday, the rebels ambushed three army vehicles at Yairpok, 40 km from here. Though unofficial sources say at least 11 jawans were killed and all arms and ammunition were snatched away police sources say that only two jawans were killed. On Monday morning two army vehicles were also ambushed using country-made bombs at Khumbong near here. Fortunately there was no casualty except for some minor damage to army vehicles.

One man said to be a member of the PLA was killed by the villagers of Wangoo when he came to extract money. A pistol was recovered from him. Again about a dozen masked men came to collect a gun from a man. When they were told that the gun was deposited with the police as per instructions they became furious. After beating him up badly they reportedly took away gold and other valuables worth thousands of rupees.

Meanwhile the publicity section of the PLA has been working overtime to make the presence of the PLA felt among the common people. They have been hoisting the Red Star PLA flag everywhere, probably to announce that PLA members are ubiquitous. Most of these flags have hidden bombs fused in such a way that when the police pull down the flags these bombs will explode. At least one man was seriously injured when such a bomb exploded recently.

The rebels have also been floating gas balloons with hidden bombs in community tanks as part of their strategy against security personnel. Above all, they have also been sending up balloons every now and then with underground literature.

Some months back Maj General Eric Vas, former General Officer, Commanding-in-Chief, Eastern Command, at a press conference deplored the way the common people were extending cooperation to the insurgents.

Reports indicate that some people still continue to sympathise with insurgents who promise to "free the common people from exploitation by Delhi bandits". There was a funeral procession on Sunday for the PLA men who were killed on July 6. Thousands of boys and girls in mourning dress turned up carrying portraits of the deceased in PLA uniform and placards with words like "we have given our today for your tomorrow".

Apparently the police did not expect such a massive assembly in view of the tight security measures.

Prohibitory orders under Section 144 Crpc had to be promulgated in all main areas. It is understood that security forces engaged in counter insurgency measures are concerned over the growing public sympathy with the rebels cause. Attempts to alienate the common people have only boomeranged, much to the detriment of counter insurgency operations. It is alleged that whenever there is shooting incidents or raiding underground hideouts, villagers are subjected to avoidable harassment.

Police fear that the rebels have enough sophisticated bombs to rock Manipur.—

KERALA CHIEF MINISTER WRITES PROTEST LETTER TO GANDHI

Bombay THE TIMES OF INDIA in English 16 Jul 81 pp 1, 4

[Article by K. C. John]

[Text] Trivandrum, July 15.

The chief minister, Mr. E. K. Nayanar, today objected to the Prime Minister, Mrs. Indira Gandhi's reported support to the remarks on Kerala made by the Union minister of state for home, Mr. Yogendra Makwana.

Mrs. Gandhi, according to Mr. Nayanar, had given tacit support to Mr. Makwana at her July 10 press conference by maintaining that Mr. Makwana had only reflected popular opinion in Kerala. She was also reported to have expressed her anxiety over the "political murders" in Kerala.

Replying to a submission in the assembly by Mr. M. V. Raghavan, leader of the CPM in the legislature, Mr. Nayanar said he had written a second letter to the Prime Minister protesting against her statement on Kerala at the press conference.

The Congress (I) opposition leader, Mr. K. Karunakaran, and several other opposition members questioned the propriety of Mr. Raghavan making a submission about the Prime Minister's statement. The speaker, Mr. A. P. Kurien, overruled the objection.

Mr. Nayanar characterised Mr. Makwana's remarks on Kerala as "unilateral" and "irresponsible." It was aimed at subverting the state government. It did not reflect the popular opinion at all. In fact, the democratic opinion in the state was against Mr. Makwana's views.

No Reply

The chief minister told the assembly today that he had not received any reply from the Prime Minister to his letter of June 6 on Mr. Makwana's statement about Kerala. His second letter contained his protest against Mrs. Gandhi's support to Mr. Makwana.

The following is the text of Mr. Nayanar's letter to Mrs. Gandhi on June 6:

"Dear Madam Prime Minister,

"I would like to draw your attention to some of the disturbing statements by some of the Union ministers who visited Kerala after the United Democratic Front led by the Congress (I) in Kerala 'resolved to provide leadership to a people's struggle for liberation.'

"I am really shocked that some of the Union ministers by their statements and the Congress (I) unit of Kerala by their action had got involved in a so-called liberation struggle which is against all accepted principles of democracy, parliamentary system of government and against the underlying principles of our constitution. It is also against your repeated statements that the Centre is against the toppling of elected state governments in our country. I can understand agitation on one or other issues affecting the people. But I believe that "liberation struggle" in the present context of the situation in our country would be playing into the hands of the forces of destabilisation. And if liberation struggles are to be launched on the pretext of a few thefts from temples and a Naxalite murder and some such incidents, it will be indeed a sad day for parliamentary democracy in India.

"On the day of the Raj Bhavan march (May 30, 1981) in Trivandrum, the offices of the CPI and the CPI(M), the Deshabhimani book stall and the city bureau of KERALA KAUMUDI, a leading Malayalam daily, all situated on the Mahatma Gandhi Road, were attacked by the members of the jatha. The political edge of these attacks is clear. The subsequent statements by the leaders of the Congress (I) did not mention any regret about these incidents. Nor did they discourage such actions. The whole tone and approach was of unleashing a 1959-model liberation struggle. The statements of the Union ministers have to be viewed in this background of things.

"On June 1, Shri Yogendra Makwana had declared his findings thus: 'The Kerala government had failed in its primary function to protect the life and property of the citizen...no government worth the name exists in Kerala.' He indicated intervention by the Centre as in 1959. He was only awaiting the report of the governor 'as the representative of the Centre.'

"I am sure that no impartial person would ever have made such an observation on the situation in Kerala. But when a responsible minister from the Centre makes such observations, it is obvious that it has the edge of authority and pressure on the governor, who according to Mr. Makwana, was a 'representative of the Centre.' It was also an open declaration that this so-called liberation struggle has the blessings of the Centre which meant giving an open licence to disorder, anarchy and violence in the state.

"Shri Makwana in his statement has gone to the extent of alleging that 'the Naxalites were being utilised by the Kerala government to terrorise the people.' In this connection, I would only plead with you that some restraint may be imposed on people like Mr. Makwana in making misleading statements. Neither Mr. Makwana nor the state leadership of the Congress (I) had condemned Naxalites and Naxalism. Nor did they take up the question of Naxalism on the political level and call for people's awareness and vigilance. They just pointed the finger of accusation against the minister. This unfortunate position of utilising Naxalite violence as a weapon against the state government had only encouraged the Naxalites and some of the local followers of the Congress (I) in taking part in a demonstration justifying the murder by the Naxalites.

"On June 4, Shri Maganbhai Barot, Union minister of state for finance, contributed his share of misleading statements. As an instance of the Centre's generous approach to Kerala, he said that in the sixth plan Rs. 1,500 crores was allotted against Rs. 1,000 crores in the Janata sixth plan. You are well aware that the provision in the Janata sixth plan was Rs. 1,200 crores and that it was raised to Rs. 1,500 crores in the context of the increase in the total outlay and if you would examine the plan documents, you would be convinced that we did not get our due share. His allegation against the state Harijan welfare department too was found to be baseless.

"By these public utterances, these Union ministers I am afraid, have misused their office of power against a validly constituted and elected government which has a clear mandate from the people. This is against the spirit of our Constitution and against all norms of democracy. In effect, it is also a violation of the sacred principles of healthy Centre-state relations.

"I need not emphasise the crucial role played by you in your dual capacity as the Prime Minister of India and president of the main political party in the country, which, incidentally, is leading the so-called 'liberation struggle' in Kerala. The statements issued by the Union ministers and the political position taken by the state leaders of your party are obviously against your declared position. Hence, their unfortunate approach, I feel, should be reversed and restrained.

Yours sincerely,

Sd-

(E. K. Nayanar)"

CSO: 4220/7302

## SHEIKH ABDULLAH ADDRESSES 14 JUL MARTYRS DAY RALLY

Calcutta THE STATESMAN in English 15 Jul 81 p 9

[Text]

SRINAGAR, July 14.—The Kashmir Chief Minister, Sheikh Abdullah, has warned that he will resist any attempt to topple his Government or wipe out his ruling National Conference Party by Congress (I) leaders, including Mrs Gandhi. Addressing a Martyrs Day rally here last evening, the Sheikh said it was unfortunate that almost all Opposition leaders had started to unite again under the Congress (I) to subjugate and usurp the hard-won freedom of the Kashmiris, as they had tried to do in 1977, under the Janata flag.

The Sheikh complained that till today, he failed to understand how he or his party had harmed the Prime Minister or her "henchmen" of Congress (I) leaders, who had started maligning him and his party in the State. But, he said, he was neither going to be cowed down nor going to succumb to their threats.

He asked the Central leaders to point out "a single incident where and when I or my Government or my party has done anything which may have gone against the larger interests of our country".

## Vested Interests

Without naming Mr Rajiv Gandhi, Sheikh Abdullah said he did not like his recent meetings with the former Deputy Chief Minister, Mirza Mohammad Afzal Beg, the chief of the Kashmir Awami action committee, Mir Waiz Moulvi Farooq, and the former Janata leader, Mohiuddin Qarra, whom he named and described as "vested-interested politicians."

The Sheikh accused the Central Congress (I) leaders of "pumping" money into the State to purchase these vested-interested State politicians. He warned the Kashmiri young men that "they will also try to purchase you to wipe out my National Conference". The State Congress (I) leaders, he said, were creating political instability in the State by encouraging disgruntled young men and others to resort to strikes, dharnas and agitations.

Mir Wazir Moulvi Farooq, president of the Kashmir Awami action committee, has accused Sheikh Abdullah of having failed to redress "the people's genuine grievances".

CSO: 4220/7297

## CORRESPONDENT NOTES SIGNS OF FERMENT IN KASHMIR

Madras THE HINDU in English 15 Jul 81 p 8

[Text] **D**ISCONTENT and resentment is the prevalent mood today in the entire State of Jammu and Kashmir—in the Kashmir Valley, Jammu region and the border area of Leh.

The State's people have complained to the Governor, Mr. B. K. Nehru, and the Prime Minister, Mrs. Indira Gandhi, of the "miserable failure" of Sheikh Abdullah's Government to redress their genuine and mounting economic and political grievances.

Taking the cue from the two-year-old agitation of the people of Shopian area of Kashmir Valley for a separate hill district, similar popular waves have started making their impact in the Kishtwar and Bhaderwah areas of Jammu region.

The people of Kishtwar and Bhaderwah areas have been organising hunger strikes, dharnas and bandhs for the last one and a half months to project their demands. As in Shopian area a number of clashes with the police had taken place. Almost all members of the Opposition Parties Action Committee who spearhead the current agitation have been detained under the Public Safety Act.

In the Leh district of the border area of Ladakh also there have been a number of police-public clashes recently. The main charge against the State Government is "discrimination" in allotment of funds for economic development of this most backward area besides failure to implement the decision to create a separate division for the border areas of Leh and Kargil districts of Ladakh.

These apart the people of the border areas of Ladakh and the nomadic Gujjar and Bakarwal communities have been agitating for the last three years that the State Government should recommend to the Centre that they be treated as "scheduled tribes". This, they complain, the State Government has not done for reasons best known to it.

In some other areas of Jammu as well as in Kashmir Valley including Rasi,

Sopore and Bandipore towns, people have started voicing their demand for a separate district or tehsils or for upgrading a sub-tehsil into a tehsil or even for recognition as a "niabat".

Though now these agitations are not aimed at disintegrating the State, yet if they are not checked in time or a thorough examination of their genesis is made by experts they may pose a grave danger to the integrity of the State.

These demands are but the outcome of the Government's carving out new districts and tehsils two years back in pursuance of its political interests. This had infuriated public opinion and generated a feeling of having been let down by the Government.

All this has erupted at a time when the National Conference Government headed by Sheikh Abdullah had entered the fifth year of its term on July 9. There is now an air of suspense hanging over the Government's future.

Sheikh Abdullah's Government can continue till July 1983. But during his recent meetings with his Cabinet colleagues and party leaders he is reported to have asked them to prepare in right earnest for fresh elections. This green signal was given by the Sheikh early this month after he had detailed discussions with the Governor on the current political situation.

The meeting with the Governor took place before the latter left for New Delhi to meet the Prime Minister and other leaders to keep them informed of the situation in the State.

Unlike the other States the life of the Jammu and Kashmir Assembly is six years under the amendment made to the State's separate Constitution during the Emergency. The Sheikh who had so far stoutly resisted the Opposition parties' (including the Congress-I) demand that the original five-year term be restored has now changed his mind. He recently said he had no objection to an amendment to facilitate elections in Kashmir together with the other States next year.

As head of the Government the Sheikh can whenever he likes approach the Governor with a proposal to dissolve the Assembly and hold fresh elections. But apparently he wants to head the care-taker Government in case of dissolution. Hence he does not want to take any hasty steps lest he be deprived of that position as he is opposed to the imposition of Governor's rule.

Meanwhile the President of the State Congress (I) unit who also had a separate meeting with the Governor here early this month and later met the Prime Minister in Delhi said on his return that their firm demand was that fresh elections to the Assembly should be held after imposition of Governor's rule at 1977.

He demanded in imposition of Governor's rule on grounds of deterioration in the economic and political situation, agitations, strikes and dharnas because of Government's failure to redress the people's ge-

nune grievances and related law and order problems.

The last one year of Sheikh Abdullah's rule has been full of tension and troubles. There were the first time clashes between a section of the Army and groups of civilians, a fall-out of the Moradabad communal riots in Kashmir Valley, repeated strikes by police and doctors, uneasy calm on both Kashmir and Jammu University campuses, a series of fires in different parts of the State, recurring uneasiness in educational institutions, trouble in Ladakh and the current continued agitations in Shopian, Kishtwar and Bhatnagar for creation of separate districts.

The Centre would appear to have taken a serious note of these. According to some Central Ministers as well as top Union Government officials who recently visited the State for an on-the-spot study of the situation the continuance of such a disorderly state of affairs should invite Governor's rule.

## ORISSA CHIEF MINISTER REVIEWS GAINS FOR 1980

New Delhi PATRIOT in English 14 Jul 81 p 5

[Text] After a decade of stagnancy in agriculture, Orissa in 1980 has achieved considerable progress besides increasing industrialisation and taking active steps to rehabilitate the landless destitutes comprising agricultural and migrant workers in the countryside.

This was underscored by Orissa Chief Minister Janaki Ballav Patnaik on Monday afternoon when he met newsmen in the Capital to give a review of the achievements of the Congress-I State Government in Orissa over the last one year since it assumed office.

Notwithstanding floods which devastated nine districts in 1980 and student agitations which engulfed six districts in October-December last year, these achievements stand out as of substantial importance.

For example, this year the agricultural production, was 60.47 lakh tonnes, about three lakh tonnes more than the highest output of the seventies, 57.65 lakh tonnes in 1978. In the sphere of agriculture several major steps had been taken: (a) over a lakh new members of the cooperatives were enrolled with a subsidy of Rs 1 crore by the Government; (b) cooperatives' loan was extended to 1.3 lakh more farmers and the amount disbursed happened to be Rs 15 crore more than last year; (c) supply of high yielding seeds increased six times; (d) intensive package cultivation taken up in 25,000 acres was being increased to five lakh acres; (e) additional area of nearly six lakh acres brought under high yielding varieties; (f) intensive programme for pulses oil seeds, wheat, cotton and sugarcane.

The year also witnessed the launching of a programme for doubling of the irrigation potential in the State. The existing irrigated area of 30 lakh acres, 20 per cent of the total cultivated area, is to be expanded to 60 lakh acres in the next 10 years. During the Sixth Five Year Plan, 15 lakh acres of additional area is to be brought under irrigation of which 3.2 lakh acres was covered during last year.

#### More Power

The present installed capacity of 914 MW of power is to be raised to 2,170 MW in the next five years Mr Patnaik said. This will meet the State's growing demand

of industrial development. Talcher thermal expansion, Kolab and Rengali projects are to add 560 MW while the captive power plant of the National Aluminium Company is to add over 700 MW. At present the State Government was contemplating five mini-hydel projects, of 10 to 15 MW capacity each and adding another turbine to the Hirakud dam's power generation to reach the pick-up level of 35 MW.

In the last one year several central sector projects in the field of industry have materialised. Work on the Rs 1,500 crore Aluminium-Alumina complex having an employment potential of 20,000 has begun. The second steel plant besides Rourkela with an employment potential of 30,000 and the Phosphatic Fertiliser Plant with 6,000 employment potential are to be set up soon. While 2,003 small industries and nearly 33,000 units of village, cottage and artisan industries were set up during the year with an employment potential of 70,000, 190 medium and large industries with an investment of almost Rs 1,000 crore were finalised in the state. These medium and large industries include a Polyester Staple Fibre unit with an investment of Rs 40 crores two large paper mills costing Rs 100 crore, nine spinning mills two Charge Chrome plants both costing Rs 140 crore. Of these 190, 59 with an investment of Rs 150 crore are under construction at the moment.

#### Film Studio

Besides these, the first film studio of the State, the first textile processing unit and the second nucleus industrial complex of the country have been set up.

An idea of the pace of development work could be availed from the fact that whereas only four km of the proposed Ruri-Konarak marine drive was completed in the previous regime, within one year the entire 34 km road has been completed and is due to be opened soon.

The tourist traffic by air has increased by 60 per cent due to introduction of Boeing flight from Delhi and Calcutta to Bhubaneswar, and for additional accommodation new star hotels at Cuttack, Puri and Bhubaneswar by the ITDC, Oberoi group and the UP hotel group have been finalised.

#### Scheme for Landless

The scheme of economic rehabilitation of the rural poor was launched covering five lakh families in five years, and in 1980 alone 22,000 families were assisted. The scheme is seeking to make the landless poor economically viable to handle the land given to him for cultivation. Hence the Government will bring the land under cultivation for two harvests, when the person concerned will work on land on daily wage basis with the full right of enjoying the harvest. He is to be provided agricultural implements by the Government. After two harvests the land and agricultural implements will belong to him.

Where land is not available, the idea is to provide small ponds for fisheries for fishermen.

The objective is to rehabilitate 10 of the poorest from every village. The Prime Minister during her last visit to Orissa inaugurated the settlement of 100 such families on 200 acres of land in Dhenkanal district.

Replying to questions, Mr Patnaik informed that about 100 of the small industries were set up in 1980 in Mayurbhanj, Koraput, Sundargarh, Dhenkanal, Keonjhar, Kolahandi, Bolangir and Sambalpur.

## LAW MINISTRY CIRCULAR DEFENDS TRANSFER OF JUDGES

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 4

[Text] New Delhi, July 15 (PTI):

The law ministry's circular to states for obtaining the consent of additional judges or members of the bar and judicial services to serve outside their states is intended to further national integration and combat narrow parochial tendencies, according to official sources.

The circular of March 18 is not intended to deny further appointments to judges for failure to give their consent, they point out.

The law ministry's letter has led to a controversy and it has been made the subject matter of several writ petitions in the high court of Bombay and its Nagpur bench, and in the high courts of Allahabad and Delhi. These have since been transferred to the supreme court except the petition before the Nagpur bench. The continuance or otherwise of certain additional judges of the Delhi high court has also been made the subject matter of a petition pending in the supreme court.

## National Integration

The law ministry's letter follows suggestions by several forums, including the states reorganisation commission, the law commission, various bar associations as also the consultative committee of MPs attached to the law ministry, that in order to further national integration and to combat narrow parochial tendencies due to caste, kinship and other affiliations, one third of judges of a high court should as far as possible be from outside the state in which the high court is situated.

About the arguments that outsiders would not know the local language and cannot therefore function effectively as judges, it is pointed out that the language of high courts is English which should pose no insuperable barrier. The local language can also be learnt to the extent required. Before independence English judges found no difficulty in functioning in different states.

The law commission, when it was presided over by Mr. Justice H. R. Khanna, had recommended in its 80th report that there should be a convention according to which one third of the judges in each high court should be from another state.

This would normally have to be done through the process of initial appointments and not by transfers. Besides promoting national integration, the report had said, such judges would remain dispassionate in cases involving local sentiments and regional feelings.

The present chief justice of India is also known to be favouring the same approach.

It is also fallacious to argue that legally only the chief justice of the high court to which an appointment is made can take the initiative and that he cannot do so in the absence of knowledge about an outsider.

Article 217 (1) of the constitution itself provided that every judge of a high court shall be appointed by the President by warrant after consultation with the chief justice of India, the governor of the state and in the case of appointment of a judge other than the chief justice, the chief justice of the high court.

As pointed out by the law commission, there would always be a number of persons willing to be considered for high court judgeship who would have no objection to appointment outside the state. In the case of persons from the judicial services the prospects of promotion would be sufficient inducement, it is felt.

As regards members of the bar, some would consider it advantageous to be appointed outside the state so that after their retirement they can resume their practice in the high court in which they were practising. The bar against practising in the high court in which one was previously a judge would thus not stand in their way.

The sources made it clear that there is no intention on the part of the government to denigrate judges or the judiciary. But it is the government's duty to make appointments after proper scrutiny. In this process it carries out consultations prescribed in the constitution.

CSO: 4220/7302

INDIA

# PATNAIK SAYS HE WON'T GIVE UP ACTIVE POLITICS

New Delhi PATRIOT in English 14 Jul 81 p 5

[Text] Cuttack, July 13 (UNI)--Naxalite leader Nagabhushan Patnaik says there is no question of his giving up active politics which has spilled a lot of blood and seen him in a 12-year incarceration before the President of India commuted his death sentence and the Supreme Court released him on parole.

Mr Patnaik is now recuperating in the local SCB Medical College. He says his only problem is now a "tubercular infection" but the fever has stopped since the last two days, and he hopes to be back to his native village Gunupur in southern Orissa in a few days time.

Once he is physically fit, he says with confidence, he will go back to his field of work in Srikakulam of Andhra Pradesh and other places, and decide the next strategy.

Did that mean the earlier strategy was wrong? Asked UNI in an interview yesterday. "We don't stick to a dogma and always learn from past mistakes. We have learnt that individual terrorism is not in conformity with marxism-Leninism," he said but hastened to add that this did not mean the basic ideology would be changed.

Asked if there was any possibility of the new strategy narrowing down the gap between their violent ways with the nonviolent ones, Mr Patnaik said "We are not worshippers of violence. Revolutionary violence is necessary to meet counter-revolutionary violence", he said.

CSO: 4220/7291

## MINISTER OUTLINES ENGINEERING INDUSTRY GROWTH

New Delhi PATRIOT in English 14 Jul 81 p 5

[Text] Chandigarh, July 13.

Union Minister for Industry Dr Charanjit Chanana informed the consultative committee of MPs attached to his Ministry here today that industrial growth of 34 of the 48 selected light and heavy engineering industries showed "positive" increase in their output during the year 1980-81 over the last year.

Among the industries which showed increase in output were railway loco motives, buses, trucks and jeeps, motor bikes and bicycles, scooters, mopeds and three-wheelers. Fourteen industries which showed decrease include transmission towers, steel castings and forgings and electrical measuring machines. While the growth went up to as much as 53.7 per cent in the case of three-wheelers.

The output of some of the important commodities, namely, wheat, flour infant milk food, vanaspati, coffee, salt, biscuits, cotton fibres paper and paper products, matches, dry cells, electrical lamps auto tyres fluorescent tubes, bicycles, tooth pastes and tooth powder have shown positive increase. The members were further told that although the index of drugs and pharmaceutical industrial have shown a marginal decline of 0.8 per cent, some of the selected drugs like penicillin, streptomycine and vitamin A have shown positive and significant increases.

The capacity utilisation, Dr Chanana said in 1980-81 in a number of important consumer industries like soap, matches gas lamps, fluorescent bicycles wrist watches, auto tyres bicycle tyres, sugar and salt was over 80 per cent. The industries which had achieved a capacity utilisation of 50 to 80 per cent during 1980-81 were baby food biscuits synthetic detergents, footwear both leather and rubber, cigarettes, dry batteries penicillin drugs, cement, soda ash, vanaspati, cotton textile and papers.

The Minister said he was not satisfied with setting up of research and design units in private sector. Neither was he satisfied with the transfer or updating of technology. However our endeavour was to facilitate the transfer of technology from efficiency operating units to new units and the policy in this regard was based on national priorities.

He said companies which have well established R and D organisations and have demonstrated their ability to absorb, accept and disseminate modern technology.

They were permitted to import such technology as would increase their efficiency and cost effectiveness. Foreign collaboration is permitted in sophisticated and high priority areas, in export oriented or import substitution manufacture and for enabling indigenous industry to update existing technology in India to meet effectively changing consumer preferences and or to become competitive in the export market.

The policy followed by the Government in this field had subserved national interest in achieving self-reliance, cost reduction export promotion and other economic objectives, he said.

Mr Chanana said 1650 approvals were issued to Indian parties for entering into foreign financial and or technical collaboration during the period 1976-80. The number of collaborations during the period increased from 277 to 526, the most significant increase being with FRG, France, USA and UK.

Talking about foreign collaboration in Maruti Dr Chanana said negotiations with some French and German companies were going on. The arrangement was being finalised as soon as possible. He revealed that negotiations were proceeding on expected lines.

CSO: 4220/7291

INDIA

## PUNJAB REJECTS HARYANA, RAJASTHAN POWER DEMANDS

New Delhi PATRIOT in English 14 Jul 81 p 4

[Text] Chandigarh, July 13 (UNI)--Punjab has rejected the demand of Haryana and Rajasthan for a share in the power generation at the Anandpur and Mukerian hydel projects in the State.

An official spokesman told newsmen that a state was free to set up a project to tap the water flowing through its territory for power generation and no other state could stake its claim on it.

The spokesman clarified that the division of the Ravi-Beas waters between Punjab and Haryana was a separate issue and could not be linked with the power generation at these two projects.

Haryana and Rajasthan, it is said, had raised the issue at the last meeting of the Bhakra-Beas Management Board (BBMB).

Meanwhile, according to official sources, Punjab is willing to undertake the construction of the Thein Dam by itself if it was given full rights to the power got from the project.

If the Centre agreed to this, the sources said, the State Government would mop up resources including mobilization of savings of Indians settled abroad for the purpose.

### Talks Postponed

The next round of Ravi-Beas talks scheduled to be held on Monday have been postponed till 17 July because of Punjab Chief Minister Darbara Singh's unscheduled visit to London, reports UNI.

Haryana Chief Minister Bhajan Lal, however met Law Minister Shiv Shanker said discussed the problem.

The earlier round of talks held with the Prime Minister failed to resolve the tussle between the two States on their due share of the waters in these two rivers.

CSO: 4220/7291

## CHIEF OF STAFF TELLS PLANS FOR INDIAN NAVY

Madras THE HINDU in English 15 Jul 81 p 6

[Text]

VISAKHAPATNAM, July 14  
The Indian Navy had a programme to acquire anti-submarine helicopters, Admiral R. L. Pereira, Chief of the Naval Staff, told pressmen here on Tuesday.

Admiral Pereira, who is here to participate in the naval commanders conference, said the conference would discuss among other things, current tactical and operation problems of the navy, besides evolving high-level policy matters involving future expansion plans and modernisation.

#### Another aircraft carrier

The Navy Chief said the air element had now become an integral part of the navy and added that another sea

control aircraft carrier of 150 to 2,000 tonnes would be built by the Nineties. Designs from Italy, France and Germany were being examined to select a suitable one to meet our conditions.

INS Vikrant, the present aircraft carrier, was undergoing modernisation. It would be ready by December this year, duly rejuvenated to serve country for another 10 or 15 years.

On enquiring the Admiral said eight carriers were already on order and few more would be ordered in course of time.

The Indian Navy, which by building seven Leander-type vessels increased the indigenous component to about 70 per cent, would add some more sophisticated ships, such as the INS Rajput to provide more teeth to the Navy.

Asked about the capability of carriers in modern warfare, Admiral Pereira said they had more striking power and their capacity for square turn and vertical take-off were advantageous.

He said infrastructure was being developed to build submarines in the country in the next three or five years with western technology.

The Navy had been spending Rs 6 crores annually for providing accommodation to officers and sailors. The programme would continue for 10 years and a sum of Rs 60 crores would be spent, he said.

The next Law of Sea Conference would be held in August at Geneva, the Admiral said. To a question he said India was aware of the importance of Malacca Straits and the Navy was vigilant.

CSO: 4220/7299

## SEVEN POINTS IN ASSAM NEGOTIATIONS DELINEATED

Calcutta THE STATESMAN in English 15 Jul 81 p 1

[Excerpt] New Delhi, July 14.—The Assam talks appear to be heading for another spell of adjournment. The principal issue, that is who the foreigners are among the 1961-1971 entrants into the State, remains unresolved even after more than two weeks of hard bargaining between the Home and Law Ministry officials on one side, and the AASU and AAGSP representatives on the other.

The talks at the committee level had deadlocked yesterday, since both sides disagreed on the definition of an "unauthorized" foreigner in Assam, who would be moved out of the State and rehabilitated elsewhere with an adequate incentive--in terms of a three-point formula earlier handed down by the Union Home Minister, Mr Zail Singh to the committee for acceptance.

This evening, the Assam movement leaders met Mr Zail Singh for more than two hours but still an agreement was not forthcoming.

Mr Zail Singh declined to sign with the AASU and AAGSP representatives in agreement on the seven points put forward by the movement leaders, though he held that the Government agreed to the points in principle.

They are: detection of "foreigners" in Assam and deletion of their names from the voters' list, prevention of their enrolment as voters, issue of identity cards with photographs to all voters in Assam, vesting the Centre with the authority to grant citizenship certificates, full protection to the border from infiltration from outside and protection of Assam's indigenous culture.

/Mr Zail Singh said there was no need for him to sign an agreement with the Assam leaders because the Government's acceptance of the seven points had been announced on the floor of Parliament./ [in boldface]

Mr Zail Singh told reporters that though there were obstacles in the way of the negotiations, he firmly believed that there would be an agreement at the end. He hoped that the movement leaders would ultimately agree to the Government formula because that was a just and sensible one.

Mr Zail Singh said at the end of two hours of talks at the North Block that the Government insisted on issuing citizenship certificates according to "policy instructions" applicable to Assam.

This means that East Pakistani minorities who entered Assam till 1971 because of persecution or fear of persecution would be granted Indian citizenship. (The movement leaders demand that citizenship should be granted only in accordance with the provisions of the Constitution and the laws applicable all over India.)

Mr Zail Singh said that in spite of apparent disagreement, he had persuaded the Assam leaders to return to talks with officials. Replying to a question, he said the achievement this evening was to "keep the talks going".

Asked what was the advance made during the current round of talks in two sessions in May and July, the Home Minister said: "Nothing".

He held that the Government could agree to disperse to other States only such of the post-1971 infiltrators who could not be deported but had to be granted citizenship of India.

CSO: 4220/7297

INDIA

CPI ISSUES STATEMENT ON ECONOMIC MEASURES

New Delhi PATRIOT in English 14 Jul 81 pp 1, 7

[Excerpt] The Communist Party of India (CPI) has called upon the working class, peasants and all other strata of working people to voice their 'resolute protest' against unwarranted measures like the hike in prices of petroleum products, fertilisers, cooking gas and the import of wheat and sugar.

In a statement on Monday, the CPI central secretariat said the people should immediately demand state takeover of wholesale trade and public distribution of all essential goods as well as total ban of deficit financing, wasteful expenditure and credit expansion. Only these, it underlined, 'can be effective antidotes against inflation.'

The secretariat maintained that the package of so-called anti-inflationary measures was aimed at solving the deepening economic crisis 'by shifting its burden on the shoulders of the common people.'

CSO: 4220/7291

## ORISSA CHIEF MINISTER RESHUFFLES CABINET

Calcutta THE STATESMAN in English 16 Jul 81 p 1

[Text]

BHUBANESWAR, July 15.—By dropping Mr K. G. Lenka, a senior Minister, and reshuffling the Cabinet after his return from New Delhi yesterday, the Orissa Chief Minister, Mr J. B. Patnaik, has not only eliminated dissent in Governmental functioning but also tightened his grip on the State administration.

In the reshuffled Ministry, there are seven Cabinet Ministers, including the Chief Minister, 10 Ministers of State and one Deputy Minister. Six portfolios originally retained by Mr Patnaik remain unchanged. Mr Upendra Dixit has got Revenue and Transport Department in place of Food and Civil Supplies. Mr Raghunath Patnaik, Finance Minister, has been given additional charge of the Department of Law. Mr Dayanidhi Nayak has been stripped off the Works portfolio and given the portfolio of Commerce. The portfolios of the remaining three Cabinet Ministers—Mr Basudev Mohapatra, Mr Gangadhar Mohapatra, and Mr Ram Chandra Ulaka—remain unchanged.

Mr Lenka had easy access to Mrs Gandhi since Sanjay Gandhi came into prominence and it is significant that Mr Patnaik at last got Mrs Gandhi's permission to drop him.

Though visibly annoyed at the Chief Minister's action, Mr Lenka has preferred to keep quiet till he meets the Prime Minister. It is learnt that Mr Lenka was apprehending some humiliating action by the Chief Minister but was not prepared for being dropped. He will now devote himself to the organizational work of the Congress (I) and try to implement the 20-point programme of Mrs Gandhi.

But circles close to him affirmed that Mr Lenka could hardly avoid working as a catalyst in the intra-party fight against Mr Patnaik and his "coterie".

Mr Patnaik told reporters here today that he had to drop Mr Lenka and reshuffle his Cabinet "to ensure cohesive and efficient functioning of the Government". He would not elaborate but expressed his confidence that there would be no dissension in the Congress (I) over this. The Chief Minister would not rule out the possibility of expanding his 18-member Ministry but said he had no plan to do it in the near future.

Dropping of senior Minister is not unprecedented in Orissa. Mrs Nandini Satpathy as Chief Minister had dropped Mr Banka Behari Das from her Cabinet in 1973. Speculations about dissensions in the Congress (I) did not come immediately but it developed later leading to Mrs Satpathy being forced to resign.

The 61-day-old strike by more than 2,000 ministerial officers of the Government Secretariat here was called off today following an assurance by Mr Patnaik that the Government would consider their problems sympathetically. Since the strike began on May 15, seven Ministerial officers have been summarily dismissed from service and disciplinary action has been taken against several hundred of other employees.

In a letter to Chief Minister the office bearers of the Orissa Secretariat Ministerial Officers' Association expressed "full faith" in his "sense of justice and fair play" and hoped that the Chief Minister would consider their problems.

INDIA

DELHI 'HERALD' ON ANTI-INDIA DEMONSTRATIONS IN BANGLADESH

BK260219 Delhi NATIONAL HERALD in English 21 Aug 81 p 7

[Editorial: "A Futile Exercise"]

[Text] India seems to be the favourite whipping boy of some Bangladesh politicians in search of a rallying point to muster a following. The anti-India demonstration by the 17-party National Front last week was yet another demonstration of the frustration of these groups. Ostensibly organised to protest against India's so-called expansionism, its real purpose was to find an alibi for the nation's failure on the economic front. Besides, the convener of the 17-party front, Mr Ataur Rahman Khan, having failed to secure the Bangladesh national party's nomination for the forthcoming presidential election, was trying to carve out a constituency by playing to the gallery.

However, such anti-India demonstrations are not new in Dacca. From time to time political factions have used rhetorics to win cheap popularity. True, there are some outstanding issues to be sorted out between New Delhi and Dacca and the governments on both sides are trying to resolve them in an amicable manner. It is only the short-sighted and the fanatical who would try to settle bilateral issues by taking to the streets. It must, however, be admitted that successive Bangladesh governments have taken a mature view of bilateral relations without letting contentious issues like Farakka waters and New Moore Island cloud Indo-Bangladesh ties. Indeed, the authorities in Dacca are expected to view bilateral and regional issues in a broader perspective. As for New Delhi, it firmly believes in promoting peace and regional cooperation. We do hope that Bangladesh would cooperate with India in establishing peace and stability in the region.

CSO: 4220/287

## DELHI ASKS ACCELERATION OF COOPERATIVE REORGANIZATION

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 5

[Text]

NEW DELHI, July 15.

**T**HE Centre has asked the state governments to hasten up re-organisation of primary co-operative societies and also to take effective steps for strengthening them financially, it is learnt.

These steps are essential keeping in view the important role being assigned to the co-operatives for marketing of agricultural produce, including distribution of chemical fertilisers.

During the current co-operative year starting from July 1, the co-operatives are expected to handle produce worth Rs. 2,000 crores against Rs. 1,850 crores in the preceding year. It is envisaged that by the end of the sixth plan, co-operatives would undertake marketing of agricultural produce valued at Rs. 2,500 crores comprising largely foodgrains, sugarcane, cotton, jute, oilseeds, fruits, vegetables and plantation crops.

It is stated that the government has made ample funds available for providing additional storage capacity for the co-operatives. Besides, the European Economic Community has given a loan of Rs. 40 crores and World Bank \$ 125 million.

The National Co-operative Development Corporation has formulated a massive cold storage project. By 1984-85 end, it is envisaged that 120 new co-operative storages with a licensed capacity of 480,000 tonnes would be organised.

There would be 276 co-operative cold storages in actual operation with a total installed capacity of 748,000 tonnes by 1984-85 end.

Co-operatives are increasingly establishing cold storage for fruits and vegetables. At the end of March, 1980, the number of cold storages organised in the co-operative sector was 204 with a licensed capacity of 460,000 tonnes, accounting for approximately 15 per cent of the total storage capacity in the country.

Co-operative storage is an integral part of the basic infrastructural facilities required for supply of agricultural inputs, marketing of agricultural produce as also distribution of consumer goods.

## PROCESSING UNITS

The total storage capacity in the co-operative sector, which stood at about 5 million tonnes by the end of March this year, is expected to be increased to about 8.2 million tonnes by the end of 1984-85.

Sources here point out that there is keenness to step up the share of co-operatives in the field of processing of agricultural commodities. By the end of 1979-80, 1912 co-operative processing units of various types were set up in the country.

Fifty additional units were added during the preceding year, and during the current year, another 70 units are expected to be added. The total number of units during the terminal year of the sixth plan will be around 2,400.

## EDITORIAL WELCOMES RAJASTHAN LEADER'S ELECTION

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 8

[Text]

The election of Mr. Shiv Charan Mathur to replace Mr. Jagannath Pabadia as the chief minister of Rajasthan will be widely welcomed. Unlike the outgoing incumbent, Mr. Mathur is a man of proven ability. He demonstrated his worth as an effective, if an unassuming, administrator during his innings as chairman of the zilla parishad of his native Bhilwara district during the early sixties and later as a member of the state cabinet successively in charge of several important portfolios, including that of power and planning. On all accounts, he has no group of his own in the strife-torn state unit of the Congress (I). But, with the backing that he evidently enjoys of the party's high command in New Delhi, he might be able to turn this to advantage. For, he has no political debts to repay and is thus better equipped than any of his rivals would have been to rise above the rampant factionalism in the ruling party and weld it together into a cohesive force. Even so, he will have to tread warily. Thanks to the inefficiency and ineptitude of the erstwhile Pabadia cabinet, Rajasthan's finances are in a shambles, the administration is in disarray, and the programmes for the state's development are virtually at a standstill. Indeed, for nearly eight months of his entire tenure of just over a year, Mr. Pabadia could not even complete his cabinet; he carried on with a skeleton team of mostly junior ministers some of whom were apparently more interested in feathering their own nests than in attending to office files. Not surprisingly, crores of rupees earmarked for drought-relief in the state have gone down the drain while its overdraft with the Reserve Bank has mounted to Rs. 150 crores or more and a yawning budgetary deficit of Rs. 90 crores stares it in the face. At the same time, the bureaucracy's morale is at a low ebb; the Pabadia ministry had been playing ducks and drakes with top officials so much so that one fell night in February, it chose to transfer as many as 22 IAS officials all at once!

By displacing Mr. Pabadia, Mrs. Gandhi has clearly served notice on other Congress (I) chief ministers that the period of grace is over and that they will suffer the same fate if they fail to perform satisfactorily. Since groupism in the party is rife in almost all the states, the ability to damp it down, no less than administrative acumen, will be obviously the criterion for judgment. It is, however, possible that Mrs. Gandhi

may wait for a while to see how Mr. Mathur fares in Rajasthan before making the requisite change anywhere else. Even otherwise, a heavy responsibility devolves on Mr. Mathur. His predecessor, for instance, had no discernible group of his own in the Rajasthan Congress (I) legislature party when he was suddenly elevated to office a year ago. But he soon built up one by appointing no less than 50 party MLAs as chairmen of statutory boards, corporations, improvement trusts, co-operative banks and so on. Mr. Mathur will have to play his cards deftly if he is to break their stranglehold on the administrative apparatus without creating new vested interests.

CSO: 4720/7302

INDIA

SHEIKH ABDULLAH DISCUSSES CHALLENGE FROM ABROAD

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 9

[Text] Srinagar, July 15 (PTI): The chief minister, Sheikh Mohammad Abdullah, today called upon the countrymen to sink their differences and work unitedly to face "any external threat."

Addressing the members of the parliamentary consultative committee attached to the ministry of communications, he said the country was facing a "serious challenge" in view of the situation in our neighbouring countries, such as Iraq, Iran and Afghanistan.

The super-power who had their "own interests would do anything to achieve their objectives," he said.

The Sheikh said: "It was time to forget our differences and work unitedly to face any challenge, as it would be fatal to remain divided."

The chief minister told the members of the committee that the external challenges could be met if the people kept the "home front strong" and worked with fervour and dedication, keeping the interests of the nation above their self.

CSO: 4220/7303

## CPI LEADER MAKES STATEMENT ON DESAI REMARKS

New Delhi PATRIOT in English 16 Jul 81 pp 1, 9

[Text] CPI general secretary C Rajeswara Rao has emphasised that the Ziaul Haq government of Pakistan was not acquiring arms for self-defence.

Joining issue with Janata leader Morarji Desai, Mr R. in a statement on Wednesday pointed out that "blind anti-Sovietism should not drive a person of his standing, who was once Prime Minister, to forget the interests of our country".

Mr Desai had at a press conference in Bhopal on Monday, defended the arming of Pakistan by the Reagan administration and China as a measure of retaliation to India's arms purchase from the USSR, France and Britain. He further had alleged that Soviet President Brezhnev's visit to India was meant to provoke a war between India and Pakistan.

Mr Rao said: "It should not be forgotten that the US imperialists are arming Pakistan to make it their base against not only India, but also against other progressive regimes in our region, who refuse to fall in line with their reactionary global strategy which goes by the name of 'strategic consensus' for world domination in collusion with the new Chinese leadership".

The US and China wanted to blackmail India by arming Pakistan, isolating our country and supporting insurgency in the north-eastern region he added, and referred to US Secretary of State Alexander Haig's recent assertion before newsmen that the US was arming Pakistan not only against the USSR but against India too.

"It is true", Mr Rao said, "that Prime Minister Indira Gandhi is using the threat to our country's security and unity to cover up the omissions and commissions of her Government. But it is preposterous to deny the threat that is posed to our country itself as is being done by Morarji Desai".

He called upon Mr Desai to clarify the position since one of its top leaders was by airing such opinions giving a weapon to the US imperialists and the Zia regime to defend their nefarious plans and harm the interests of the country.

## Clarification

Meanwhile, CPI general secretariat member A K Krishnan has highlighted the danger India is facing from the dictatorial Zia regime of Pakistan.

Issuing a clarification to what appeared in the press on his press conference in Bombay, Mr Krishnan said: 'There exists a serious threat from the side of Pakistan and that is aggravated by the acute economic crisis in that country because of inflation, and dictatorial regimes always like to divert the people's attention from domestic problems on to foreign adventurism'.

He underscored that that was exactly what he had told newsmen in Bombay on the threat from Pakistan.

CSO: 4220/7307

## PROBLEMS OF CHINA POLICY FORMULATION NOTED

Madras THE HINDU in English 16 Jul 81 p 9

[Article by G. K. Reddy]

[Text]

NEW DELHI July 15

The External Affairs Ministry is thinking of getting its old and new China experts together to advise the Government in formulating the strategy for the forthcoming Sino-Indian talks on the border problem.

The intention is to associate a few of the old hands, who were closely involved in the earlier discussions, with the impending dialogue to provide for some degree of continuity between the past and present negotiating positions.

The Government is, no doubt, quite keen on retaining the requisite flexibility for arriving at a reasonable settlement if China is equally earnest about an early solution. But it does not want to expose itself to the accusation that in the process of seeking such a solution, it was deviating sharply from the earlier stand over the territorial aspects of the border problem.

It is not possible or desirable for the Government to attempt to steer a middle course by merely bringing the old and new China hands together to sort out the contradictions, if any, between the past and present negotiating positions.

The necessary policy line has to be prescribed at the political level to define the purpose of this dialogue with China, without waiting for officials to advise the Government on what should or could be done in this particular situation.

**China's past actions:** The minds of those who had gone through the tortuous ordeals of the earlier discussions remain conditioned by the trauma of China's past actions.

The new breed of China experts in the Government, on the other hand, are prepared to take Beijing at its word and enter into a wide-ranging dialogue even if it is not going to lead to an early breakthrough in Sino-Indian relations, if only because they do not want to remain for ever as prisoners of a painful past.

**Emotional incompatibility:** The emotional incompatibility between these two schools of thought is bound to pose problems in evolving a well-thought out strategy for these negotiations. The official-level talks in Beijing in October will be more in the nature of a probing exercise for first assessing the extent of Chinese interest in early normalisation, before embarking on substantive discussions during the subsequent stages of the dialogue.

The whole effort has to be carefully coordinated for maintaining some degree of consistency between the past and present Indian positions. It has to be also correlated with other foreign policy pursuits to ensure that the very attempt does not conflict with the country's other interests.

The emerging relationship between the United States and China in the context of the American attempts to arm Pakistan continues to cause concern in India, raising some serious doubts in its mind about the present scope for normalisation.

The Soviet Union continues to exploit this aspect skilfully to create an impression that the Chinese bid for better relations with India is influenced more by tactical considerations than a genuine desire to seek an equitable settlement of the border problem. It knows that the U.S. policy of arming Pakistan will inevitably lead to a new arms race, making India more dependent on Soviet assistance.

**Narasimha Rao leaves for Moscow:** The Political Affairs Committee of the Cabinet met today to consider all these factors before the External Affairs Minister, Mr. P. V. Narasimha Rao, left for Moscow later tonight. He will be having two rounds of talks with Mr. Gromyko, one of which will be a private discussion without any aides present on either side.

He also took with him a letter from the Prime Minister, Mrs. Indira Gandhi, to the Soviet President, Mr. Brezhnev, reflecting India's concern at the current developments in the region.

## HARYANA CONGRESS-I EXPELS FORMER YOUTH OFFICIAL

New Delhi PATRIOT in English 16 Jul 81 p 4

[Text] Chandigarh, July 15.--Haryana Pradesh Congress-I committee executive today expelled former Youth Congress-I general secretary Shiv Kumar Bhola from the primary membership of the party for six years for his antiparty activities. According to PTI he is a follower of Mr Bansilal.

The charge against him had been proved HFCC-I president Harpal Singh and Chief Minister Bhajan Lal told a press conference here.

He had allegedly worked against the party candidates in last year's by-elections for three Assembly constituencies.

Similar charges against some others including former legislator Amar Singh and Mr Mani Ram Schrawat could not be proved. Therefore they have been let off with a simple warning.

Complaints against some other partymen, including former Speaker Brig Ran Singh, had been received.

The executive also decided to include representatives of all sections of Congressmen in the 25-point implementation committee.

Meanwhile, the Chief Minister has hinted at stern measures against the agitating power engineers. He said the HSEB chairman had already initiated talks with the engineers and a better sense would prevail.

Mr Bhajan Lal said the engineers would not be allowed to play havoc with the thermal power stations. All their problems had already been solved. They had agreed to withdraw their agitation, but later backed out.

He said Haryana had protested against the drawal of power by DESU from the Bhakra complex.

The party demanded that the support price for kharif cereals be fixed at Rs 120 and Rs 130 for paddy and other foodgrains in view of the recent hike in price of fertilizers, diesel and petrol.

The Chief Minister also indicated the Government's intention to force the farmers to bring to the mandis wheat stocks in excess of their requirements.

CSO: 4220/7307

## KASHMIR RULING PARTY ACCUSES RAJIV OF BLACKMAIL

New Delhi PATRIOT in English 16 Jul 81 p 4

[Text] Srinagar, July 15--The ruling National Conference has accused Mr Rajiv Gandhi MP, of "politically blackmailing the people of Kashmir".

A lengthy editorial in yesterday's issue of the ruling party's organisational mouthpiece, a daily NAWAI SUBHU charged that Mr Gandhi, during his two day visit here last week, had indulged in "condemnatory utterances" by allegedly telling the State Cong-I workers that "this State cannot hope to receive adequate Central assistance so long it was being ruled by a non-Cong-I party". The editorial entitled "political blackmail" is based on Mr Rajiv Gandhi's speech at a meeting of the Cong-I workers here. NAWAI SUBHU is printed and published by Minister for Works Ghulam Mohammed Shah who is son-in-law of Chief Minister Sheikh Abdullah.

The editorial claimed that Mr Rajiv's anti-democratic thinking was in line with similar threats held out recently by Prime Minister Indira Gandhi". The daily charged that political blackmailing tactics of the Congress rulers at the Centre were nothing new. It added, "these things have been tried since 1953. The lavish Central assistance given to the State after Sheikh Abdullahs ouster from power 28 years ago was mostly utilised for undermining the character of the Kashmiris and creating a section of vested interest people who continue to play the role of the Centre's agents in the State. It linked the recent income tax raids on some leading local carpet exporters to the "political blackmailing".

The daily pointed out "contradiction in Mr Rajiv Gandhi's mind and said that on one hand he told the Congressmen that election was the only democratic manner of changing a government and on the other hand he was seeking to ambush the democratic rights of the people by holding out a threat that the non-Cong-I governments were not entitled to adequate Central assistance.

4220/7307

INDIA

#### MIG-23S AT SOUTH WESTERN AIR COMMAND CEREMONY

New Delhi PATRIOT in English 16 Jul 81 p 6

[Text] Air Chief Marshal I H Latif, chief of the Air Staff, was given a farewell at a forward fighter base of the South Western Air Command on Wednesday, reports UNI.

Pilots, technicians and other personnel of this operational base seated him in a MiG-23 tactical fighter bomber, the latest acquisition of the air force. Led by Air Marshal J R Bhasin, Air Officer Commanding-in-Chief, South Western Air Command, a team of senior staff officers and base commanders pulled the fighter aircraft through a phalanx of smartly turned-out officers and airmen to where the Air Chief's aircraft was parked for the return flight.

The Air Chief was visibly moved and overwhelmed by this spontaneous expression of their deep love and affection.

Just as the MiG-23 with the Air Chief in the cockpit approached the end of a short stretch of towing, a formation of three MiG-23 aircraft zoomed overhead and dipped in salute to the Air Chief. Two Mi-8 giant helicopters trailing air force colours followed. In a meticulously appropriate finale two MiG-23 fighter bombers streaked through a cloudy sky for good five minutes on either side of the Air Chief's aircraft as it flew eastwards to the Capital later.

Earlier, addressing the air force and civilian personnel at the base, the Air Chief reminded them of the great trust the nation had reposed in them by equipping the air force with sophisticated equipment at a cost the country could ill-afford. They had to live up to this trust through renewed dedication, hard work, determination and professionalism and add lustre to the great name the air force had earned for itself, he stressed.

CSO: 4220/7307

## PLANNING COMMISSION SOURCES SAY LITTLE CHANGE LIKELY

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 13

[Text] New Delhi, July 15 (UNI).

The planning commission is not contemplating any structural change in the sixth plan either on account of the increase in population, revealed by the 1981 census, or a rise in prices.

According to commission sources, "certain marginal adjustments" will have to be made in sectors like agriculture, health and family welfare and a few others.

This will be done during the mid-term appraisal of the plan in September/October this year.

Explaining why structural changes are not necessary, these sources point out that children born in 1980 and 1981 would be of school-going age in 1985-86 and they would enter the employment market about ten years later.

The immediate problem, therefore, will be one of ensuring adequate food and other basic necessities for the additional population. Naturally, the plan provision for agriculture will have to be raised from the Rs. 5,695-crore provision to step up food production.

Greater emphasis will have to be laid on programmes to check the population explosion with the co-operation and involvement of the people. More funds will have to be provided for these programmes. Consequently education would also require a little more attention.

The sources ruled out any increase in the present sixth plan public sector outlay of Rs. 97,500 crores, an upward revision in outlays, wherever necessary, would have to be made only by adjusting the existing sectoral outlays.

While making structural adjustments, every care will be taken to ensure that the growth rate of 5.2 per cent per annum visualised in sixth plan is in no way affected, these sources say.

Regarding prices, the sources feel that the new measures initiated by the government should have a salutary effect on inflationary pressures and help check the price spiral. Further measures could be launched as and when necessary.

The planning commission has impressed upon the states the need for mobilise additional resources to achieve the objectives of the plan. As far as the Centre is concerned, it has already taken a number of steps to fulfil its obligation regarding additional resources. Some states are still dragging their feet in this regard.

The planning commission has underlined the need to complete plan projects on schedule with out giving any scope for cost escalation which would affect the projects.

CSO: 4220/7303

## ARTICLE SPECULATES ON TOTAL OF YEAR'S GRAIN IMPORTS

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 13

[Text] New Delhi, July 15 (UNI).

Wheat imports this year may not exceed 1.5 million tonnes being purchased by the Indian supply mission in the United States, according to informed sources.

This quantity is expected to help stabilise the food economy following inadequate rabi procurement.

While not entirely ruling out further purchases abroad, the Union agriculture ministry would like to wait and see the kharif performance this year before deciding further imports. The ministry is optimistic that the kharif production would be good in view of the widespread rains reported in various states. Among the areas which have received good rains are drought-hit ones. Kharif operations are stated to be proceeding well in the states.

It is argued that the supply position would be comfortable with the import of 1.5 million tonnes. The total stocks in the Central pool as on July 1 this year were 13.5 million tonnes, comprising 7.5 million tonnes of wheat and six million tonnes of rice. The imports would take the total to 15 million tonnes.

#### Wheat Stocks.

Assuming that the kharif production will be good this year, the rice procurement could be expected to be high. Even last year despite the drought in parts of Tamil Nadu, Andhra Pradesh and other areas, rice procurement touched 5.5 million tonnes.

The total annual requirement of the public distribution system is about 12 million tonnes, including 6.5 million tonnes of wheat. With the quantum of food-grains reduced for the national rural employment programme, which was earlier known as food-for-work, the total quantity of wheat needed for it may be only 0.5 million tonnes.

(Of this, some quantity has already been released). Thus, the total quantity of wheat needed for this year may be about seven million tonnes, against which the stocks with the government, including the present imports, are nine million tonnes.

The government still maintains that the production in 1980-81 was a record 133 million tonnes, including an all-time high production of 36 million tonnes.

About the contradiction of the country going in for imports during the record production year, the ministry says this was not merely because of the traders' action in trying to corner more stocks to exploit the situation, but also the farmers' inclination to keep more grain for themselves because of the psychology of shortage caused by two years of drought.

The 1979 drought had, in fact resulted in an overall shortfall of 23 million tonnes of foodgrains.

The total wheat stocks as on January 1, 1978, was 11.5 million tonnes. It came down to five million tonnes on January 1 this year. During the three years from 1978, the total wheat procurement was 19.1 million tonnes. Against that, the drawals from the stocks was 25.5 million tonnes, including supplies through the public distribution system, allocations for the food-for-work programme and return of the wheat loan to the Soviet Union.

Meanwhile, a debate is going on among agriculture experts whether the present imports could have been avoided. Some experts feel the imports could have been avoided if the procurement efforts by both the Centre and the states had been stepped up in time in the beginning of the procurement season.

The Janata party general secretary, Dr. (Mrs.) Sarojini Mahishi, today condemned the Centre's decision to import wheat describing it as an "unwise and ruinous economic policy."

Addressing a press conference here, Dr. Mahishi accused the Centre of being insensitive to public reaction. The imports would affect hundreds of thousands of families of small and marginal farmers pushing them below the poverty line, she said.

CSO: 4220/7303

## DEBARMENT OF 12 RAJYA SABHA MEMBERS SOUGHT

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 12

[Text]

LUCKNOW, July 15.

**T**HE situation created by the high court judgment invalidating the election to the Rajya Sabha in July last year of the Congress(I) member, Mr. P. N. Sukul, became more piquant on Monday when the successful challenger, Mr. Nemi Chand Jain, a retired judge, demanded a bar on 13 other members of the Rajya Sabha, including a Central minister, from continuing as members of the house.

The judgement has reduced the Congress (I) to a minority in the Rajya Sabha where it now has 120 members in a house of 241.

**3-WEEK STAY GRANTED**

The Lucknow bench of the Allahabad high court, on Friday, had ruled that the secretary of the UP vidhan sabha was not an executive officer and, therefore, could not act as the returning officer for the Rajya Sabha election.

The court had also ruled that the UP vidhan sabha members had not taken oath and, therefore, could not propose any candidate for the Rajya Sabha in June last year. The members had taken oath of membership late as Mr. Sanjay Gandhi's death led to the postponement of the ceremony but the Rajya Sabha nominations had to be filed before the formal oath-ceremony.

At the Lucknow bench of the high court yesterday, Mr. Justice Mahabir Singh granted a conditional stay to Mr. Sukul to appeal within three weeks to the supreme court against his judgement of Friday on Mr. Nemi Chand Jain's petition. Mr. Jain had

lost to Mr. Sukul in the by-election caused by the resignation of Mr. Kamalapati Tripathi on his election to the Lok Sabha from Varanasi in January last year.

Disposing of the Congress (I) MP's petition, the court ruled that Mr. Sukul would not be allowed to draw any salary or allowances as member of the Rajya Sabha. He would also not be allowed to speak or vote in any committee of parliament. The stay would last for three weeks during which he could appeal to the supreme court.

Mr. Jain said that he would not prefer a writ of quo warranto under which 13 other members of the Rajya Sabha elected in July last year would also have to be barred from their membership and prevented from voting in the house.

**PLEA REJECTED**

The members included Congress (I) leaders like Mr. Khurshid Alam Khan, Union minister of state for commerce, Mr. Kalpnath Rai, AICC general secretary, and Mr. Dinesh Singh, former external affairs minister.

The judgement affected all the other 13 members and till the Supreme Court decided the issue they would be barred from drawing their salary and allowances and voting in the house committees.

Arguing his father's petition in the high court, the young lawyer, Mr. Hari Shankar Jain, pleaded with Mr. Justice Mahabir Singh to bar Mr. Sukul from attending the Rajya Sabha session, likely to begin next month. The court, however, rejected the plea as the supreme court by then would be seized of the issue.

# RATIONALE OF WHEAT IMPORT DECISION EXPLAINED

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 8

[Article by Inder Malhotra]

[Text] It is entirely typical of the present political milieu in this country that so simple a matter as the Union government's decision to import one and a half million tonnes of wheat from the U.S. has become a source of bitterness and discord. There are sound economic and practical reason for what the government has done. But these have been all but obscured by the heat and highly vocal critics.

The most revealing comment has come, interestingly, from the finance minister in the CPM-led government of West Bengal, Dr. Ashok Mitra, who has previously been both chairman of the Agricultural Prices Commission and chief economic adviser to the central government. He has denounced the wheat imports, of course, even though the quantity involved is small, indeed marginal, in view of the gigantic scale of this country's grain production and needs. But, in the same breath, he has served notice that he would soon be demanding from the Centre "a share of imported wheat" to "benefit the poor people of West Bengal by maintaining supplies through the public distribution system."

As a justification of New Delhi's decision to go in for limited imports of wheat it is difficult to improve upon the second part of Dr. Mitra's schizophrenic statement. It is precisely because the flow of wheat into the public distribution system remained inadequate in spite of the record wheat crop of well over 35 million tonnes that the decision to buy some wheat from the U.S. became unavoidable.

## Inflamed

The suddenness with which the country first heard of the wheat imports is partly responsible for the rather inflamed reaction to the government's decision. But this too was unavoidable because of the need for maintaining complete secrecy about New Delhi's purchase plans. In fact, the secret was so well kept that even now the story of the deep deliberation that went into the making of the decision is not fully known.

Careful inquiries from usually well informed sources reveal, however, that Mrs. Gandhi had made up her mind to import some wheat as early as the middle of May.

This was for a variety of reasons. For one thing procurement was not keeping pace with expectations and although the Prime Minister flew to Chandigarh to ginger things up it was becoming clear that the procurement targets would not be achieved.

Even more ominous was the fact that for the first time in many years wheat prices failed to fall at harvest time. On the contrary, private traders from Maharashtra and Gujarat were going round the villages of Haryana and Punjab offering the cultivator at his doorstep prices far higher than those fixed by the government for purchase at the mandis. Surely they would not have done so unless they were sure of making a "kill" in the market later, especially during the lean months. How would the public distribution system cope with the needs of the vulnerable sections of society in such a situation thus became an agonising question.

Around this time, another element entered the situation. Dr. Bryson, a renowned authority on meteorology, visited New Delhi and, on the basis of his studies of the monsoons over the last hundred years, predicted that rains in India this year might be below normal. His forecast did not go unchallenged, but it could not be entirely ignored either.

Another even more powerful consideration in favour of wheat imports was also at work. Mrs. Gandhi knew, if the rest of the country did not, that measures like the hike in petroleum prices were in the offing and their inflationary impact could not be softened without augmenting the flow of wheat, sugar and other essential commodities in the public distribution system.

Clinched

Thus it was that the issue was virtually clinched by the end of May when an additional secretary in the Union food ministry, Mr. B. S. Raghavan, was sent on a mission quietly to survey the U.S. grain market. It was, so to speak, an exercise in testing the ground before taking the plunge. Mr. Raghavan managed to complete his task in such secrecy as would have delighted even Mr. Kissinger. He went and came back practically unnoticed. And on the basis of his report, the food secretary, Mr. B. C. Gangopadhyaya was despatched to Washington with the authority to buy the wheat. Luckily, his presence in the U.S. capital became known only after the necessary orders for wheat had been placed, following night-long negotiations, and not before.

The price at which this country has been able to buy American wheat is extremely favourable. This is partly because the U.S. too has reaped a record harvest of 76 million tonnes of wheat. Also, the Soviet Union and China, despite their enormous needs, have not yet entered the U.S. market.

On June 6, the Soviet Union and the U.S. did sign an agreement in London to enable Russia to buy three million tonnes of wheat and an equal quantity of corn from America. But, for some reasons, Moscow decided to defer the actual purchases. China's need for grain is more pressing but the Chinese do not have the necessary foreign exchange. At present they are busy collecting hard currency with which to buy U.S. wheat. Surpluses in other traditional wheat exporting countries, such as Canada and Australia, are already fully committed.

Even a cursory look at the current food statistics is enough to underscore the importance of the imports that have been contracted for. As Mrs. Gandhi said at her press conference last week, on July 1, the total stock of wheat with the public distribution system was 7.7 million tonnes. In the absence of imports, this would have dwindled by May next to about two million tonnes because the rate of outflow is 570,000 tonnes a month and cannot be reduced further.

A stock of two million tonnes of wheat cannot be considered safe even if it may look reasonably impressive on paper. For, at any time, it is likely to be disbursed over 2,200 storage centres of the Food Corporation of India which, on the basis of expert advice, feels that it should have a minimum wheat stock of six or seven million tonnes. This should explain why some in the government are talking in terms of importing another two million tonnes of wheat.

The other side of the coin is that the wheat stocks with the FCI would go a longer way in the fight against hunger were the corporation not so hag-ridden by corruption, inefficiency, demoralisation and indiscipline as it is today. In fact, it has been without a chairman for long. An earlier suggestion that the FCI managing director be promoted as chairman does not seem to have found favour with the powers that be because they are looking for an eminent public man to head this critically important corporation. However the task of toning up the FCI has already been neglected too long and does not brook any further delay.

Another count on which the government can be faulted is that it did not use all its clout to intensify the procurement drive. This point has been heavily underscored by the opposition parties which are loudly inveighing against the decision to import wheat. But unfortunately the trouble is that during the procurement season these very parties were busy inciting the peasants not to part with their grain.

#### Impede

Indeed, the irony of it all is that in Punjab and Haryana, the CPM and the CPI had joined the Akalis and the Lok Dal to impede procurement and to make the most extravagant demands about farm prices. In West Bengal and Kerala, however, the two Communist parties were simply not prepared to countenance the demands they were so stridently championing elsewhere.

Altogether, even the people's food seems to have become a plaything of partisan politics. In view of this, the current contretemps over the issue of wheat imports need not have come as a surprise except for the fact that some have carried things too far.

For instance, so respected a leader as Mr. Atal Bihari Vajpayee has made the bizarre announcement that his party, the BJP, would not allow the imported U.S. wheat to be unloaded at Indian ports. Does this mean that the shipments would be dumped into the Arabian Sea or forcibly returned to the U.S.?

The whole thing is reminiscent of an equally fatuous agitation that Mr. Vajpayee led in 1972. At that time, under the Simla Agreement, this country was returning to Pakistan the territory conquered during the Bangladesh war. Mr. Vajpayee did not like that at all and threatened physically to block the transfer of territory. Obviously, history does repeat itself as both a tragedy and a farce.

## ARTICLE EXAMINES GOA'S AUTUMN HARVEST PROSPECTS

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 7

[Article by M. J. Kamalakar]

[Text]

**PANAJI:** Sowing operations of kharif paddy have been completed in Goa, thanks to the timely onset of the monsoon.

Although, Goa receives abundant rainfall from June to September, ranging between 2,400 mm and 4,000 mm, it is evenly distributed neither in area nor time.

The Panjim observatory has reported that 50 per cent of the season's average rainfall has been recorded in the past fortnight itself. However, the farmer is worried that the monsoon might taper off when it is most needed.

The Union territory has not been able to attain self-sufficiency in food-grains. In the past five years, Goa has been able to raise its kharif production of rice from 52,679 to only 70,920 tonnes. The increase has largely been due to the high-yield varieties (HYV) of paddy.

Thirteen HYV varieties have been evolved to suit the varying soil conditions in the Union territory. The most popular among these are IR-3, Jyoti, Annapurna and Vikram.

Raising the kharif production has been Goa's primary concern. The per-hectare yield during the season has generally been lower than the rabi yield. The constraints include erratic monsoon, inadequate irrigation and soil variations.

The three major geological features of the territory are "uplands," where only a rain-fed crop is possible, "flatlands," which yield two or, sometimes, three crops aided by irrigation, and "khazan" or sea-inundated fields, which are unfit for cultivation.

Of the 44,000 hectares under paddy cultivation, only 21,000 hectares is generally under high-yielding paddy. The potential for boosting kharif production is restricted because the rest of the land falls under the "khazan" category.

Pests too take their toll. During the kharif season, they damage the crop. However, the HYV, particularly Vikram, is resistant to pests. The Goan farmer has not yet taken to using pesticides, with the exception of a few. Prohibitive cost is one of the reasons why farmers in general do not use pesticides. The per-hectare consumption of fertiliser is only 2.5 tonnes.

Mining rejects, the bane of Goa's countryside, also restrict kharif yields. In areas like Sanguem, Bicholim and Satari, the problem is acute. The rejects are either dumped directly in the fields or washed into them during the monsoon, making the land unproductive, besides silting tanks and choking springs.

Farm hands, attracted by the high wages in Goa, come from neighbouring Karnataka and Maharashtra. A plough is hired for as high as Rs. 75 a day. The high cost has made farmers seek tractors, power tillers and other machinery on hire from the government, which has 72 tractors, 30 bulldozers and 15 power-tillers. Their utilisation is 90 per cent.

During the current farm year, the government plans to bring 49,000 hectares under cultivation, including 30,000 hectares under paddy, at a total cost of Rs. 14.55 lakhs. For this kharif season, 80 tonnes of high-yielding seeds have been distributed.

Attention is also being paid to doubling the output of other cereals and pulses. About 6,000 hectares are under cereals and 3,000 under pulses.

## WESTERN FLEET WARSHIPS ARRIVE AT MADRAS HARBOR

Madras THE HINDU in English 19 Jul 81 p 13

[Text]

MADRAS, July 18.

Four warships of the Western Fleet arrived in Madras harbour on Saturday after completing naval exercises off the Andamans recently.

The ships include the newly-acquired INS Rajput, which is said to compare well with similar ships elsewhere. The other ships, which sailed here, were INS Himgiri, INS Talwar and INS Deepak.

On board INS Rajput was Rear Admiral J. C. Nadkarni, Flag Officer Commanding, Western Fleet and Captain S. W. Lakhkar, who showed pressmen round the ship.

Acquired from the Soviet Union, Rajput belongs to the first class of warships and uses gas turbines for propulsion. The 146-metre-long ship carries an array of weapons and sensors to deal with the enemy on the surface, above and

underwater. It is fitted to undertake command and control of fleets at sea and is generally the flagship of the Western Fleet.

According to Capt. Lakhkar, the ship's navigational equipment is among the most modern available today.

Public will be allowed to visit INS Himgiri on Sunday. The all-purpose frigate carries guns, anti-submarine torpedoes, and a helicopter. There are 200 men on board, including 25 officers, who are commanded by Capt. V. S. Shetkar.

Capt. T. N. Krishnaswamy, Naval Officer-in-charge, Madras, called on Rear Admiral Nadkarni. The Admiral returned the call at INS Adyar where he inspected a guard of honour. He later called on the Governor, Mr. Sadq Ali.

CSO: 4220/7348

## LOK DAL LEADER HOLDS CHANDIGARH PRESS CONFERENCE

New Delhi PATRIOT in English 15 Jul 81 p 4

[Text] Chandigarh, July 14.

Lok Dal leader Devi Lal MP sees in Centre's decision to import wheat, sugar and edible oils the emergence of a new capitalistic and feudal clique to crush the farmer.

Addressing a press conference here today, he said the decision was a new source for international corruption to make money and weaken the farmer.

Likewise, the Haryana Government to ban the movement of sugar was a step aimed at encouraging corruption by those who mattered.

He regretted that while the Centre was willing to pay Rs 160 per quintal and more to the foreign farmer, it saw that the Indian farmer did not get more than Rs 130 per quintal though this was only the support price. Had the Government paid more price to the farmer, the targets of procurement would have been met.

Alleging large-scale rigging in Amethi and Garhwal, Mr Devi Lal warned that such a thing will not be allowed to be repeated in Haryana.

He said he was personally in favour of electoral adjustments with all political parties which mattered. He named, in the Haryana context, the BJP, Akali Dal, CPI and CP-M which have influence on certain sections and in certain areas. He, however, hastened to add that a meeting of presidents of all Opposition parties will take place in Delhi on 17 July and they would discuss whether to have a federation, a common minimum programme or something else for the coming elections. But all parties agreed on the need for unity amidst threat to the working of democracy in the country as was witnessed at Garhwal.

Mr Devi Lal said he recently met Mr A B Vajpayee in Sirsa and the two discussed the current political situation. The matter of electoral understanding between the two parties also figured in the talks.

Talking to newsmen separately, Mr J S Pohlu, a Lok Dal legislator, termed the Bhajan Lal company as a beopar mandal--a business company--and demanded its dismissal, the President's rule followed by a fresh poll.

He charged the Chief Minister with being communal who while addressing public meetings commonly speaks against a particular caste, whichever state they belonged.

Talking about corruption, he demanded that assets of all Ministers and legislators be probed and those found to have made money in excess of their known sources of income penalised with the confiscation of their illegally acquired property and money.

He said wholesale corruption has taken place in lining of water courses. Officers and contractors responsible for rank bad work should be punished after a due inquiry and the works should be got redone.

CSO: 4220/7300

**THREE STATES ADVISED TO RESTRICT WHEAT MOVEMENT**

New Delhi PATRIOT in English 15 Jul 81 pp 1, 7

[Text] The Centre has advised Punjab, Haryana and Uttar Pradesh to restrict movement of wheat to other States in a bid to dehoard stocks held by traders.

The three major wheat-producing States have been told to ensure that wholesalers, retailers and roller flour mills do not exceed the prescribed limit for stocking wheat. Where necessary, the limit could be lowered.

The Centre has asked the three States to invoke the Essential Commodities Act, if necessary, to achieve the objective.

The need to impose the curbs was being felt since it became evident that the procurement targets would not be achieved. In fact, the Railways had been instructed unofficially not to load wheat consignments of traders in Punjab and Haryana. However, many dealers are known to have already despatched wheat by road to Delhi and even far-flung areas like Maharashtra.

The advice, which is in the nature of directive, has been given to these States because the country, being a single zone, the Centre is not in a position to take any step on its own to restrict wheat movement.

The curbs have been necessitated by large-scale purchases of the commodity by traders from the producers at prices higher than the procurement price of Rs 130 per quintal.

**Trade Diversion**

It is widely believed that diversion of large quantities of wheat to trade channels led to the Government's failure to achieve even the revised procurement targets. Despite a record wheat production of 36 million tonnes during the last Rabi season, the shortfall in procurement forced the Government to go in for import of 1.5 million tonnes of US wheat.

The total procurement target of 9.5 million tonnes was unofficially scaled down to seven million tonnes. But the actual procurement had been only to the tune of 6.4 million tonnes.

#### Low Procurement

Punjab, which had set its target at 47 lakh tonnes, revised it to 43 lakh tonnes following the Prime Minister's visit to Chandigarh. Later, even this was scaled down to 40 lakh tonnes which the State hoped to procure by 30 June. But actually, only 37 lakh tonnes could be collected.

In the case of Haryana, the original target of 17 lakh tonnes was brought down to 14 and later to 12.5. The actuals, however, did not exceed 11 lakh tonnes.

UP was able to procure only 14 lakh tonnes as against the target of 25 lakh tonnes.

CSO: 4220/7300

## COAL SUPPLIES FOR FIRST QUARTER 11 PERCENT HIGHER

New Delhi PATRIOT in English 14 Jul 81 p 5

[Text] Coal supplies to various consumers in the first quarter of the current financial year has shown an increase of 11 per cent over the corresponding period of the previous year reports UNI.

Coal supplies to various consumers by the Coal India Limited during April, May and June was 24.8 million tonnes, as against 22.33 million tonnes in the same period of last year, it was officially stated on Monday.

During the quarter, coal supplies to thermal stations recorded an increase of 16 per cent to cement plants and about nine per cent over the same period of last year.

Coal stocks at the steel plants as on 1 July was 460,000 tonnes against about 100,000 tonnes on the same day last year.

With the present trend in despatches, Coal India expects to fulfil its commitment of coking coal supply to the steel plants in the current financial year.

With the increase in coal despatches, Coal India has reduced its pithead coal stocks by 1.3 million tonnes. The present stocks of coal at pitheads is officially estimated at 16.3 million tonnes.

Meanwhile, the coal production during June last has recorded an increase of 15 per cent over the corresponding month of last year. Coal companies produced 8.20 million tonnes of coal during the month, as against 7.15 million tonnes in June last year. The coal companies exceeded the production target set for the month by 32,000 tonnes.

During the first quarter (April to June) this year, coal companies registered a production growth rate of 7.2 per cent as compared to the planned growth rate of 5.2 per cent for 1981-82 as a whole, thus exceeding the target by 2 per cent.

There has been sizable improvement in the washed coal production during the quarter ending June last. During this period, washed coal production was nearly 2.2 million tonnes marking an increase of nearly 16 per cent over the corresponding period of last year.

CSO: 4220/7291

## BRIEFS

**CPI TO AICP**--Calcutta, July 15--Eleven members of the Calcutta district council of the CPI who had been suspended from the party for disruptive activities have decided to join the AICP. Earlier, the State CPI had expelled 15 party members for holding an open "communist convention" against the party's policies. CPI leader Gurudas Das Gupta said that these party members would have faced expulsion due to their anti-party activities. By announcing their decision, they had only anticipated the step, he added. Available indications show that the State party leadership has decided to take stringent measures hereafter against all anti-party activities. [Text] [New Delhi PATRIOT in English 16 Jul 81 p 4]

**VERTICAL MOTOR TESTED**--Bhopal, July 15 (PTI)--The largest vertical motor, so far manufactured in India, has passed all tests at Bhopal unit of the Bharat Heavy Electricals Limited. This 1805 kw (2400 hp, 6.6 kv, 495 rpm) motor is the first of the 13 such vertical induction motors being manufactured and supplied by the BHEL, Bhopal, for the Singrauli super-thermal power station. The tests on the first motor were conducted in the presence of the representative of the National Thermal Power Corporation. The order for the motors was procured by the BHEL-Bhopal against stiff international competition as the Singrauli project is aided by the International Development Authority. [Text] [New Delhi PATRIOT in English 16 Jul 81 p 7]

**SIKHS' STATUS PLEA**--Lucknow, July 14--The Sikhs of UP have demanded minority status for their educational institutions in the State. A resolution for granting the minority rights to educational institutions in the State was unanimously passed at a meeting of Sikh organisations held under the presidentship of Minister of State for Transport Ajit Singh Sethi at one of the committee room of UP Government secretariat. The meeting also asked the UP Government to establish a Punjabi academy in the State. The meeting rejected the demand for Khalistan, but decided to hold a convention in Lucknow to consider this demand along with other demands of the Sikhs. [Text] [New Delhi PATRIOT in English 15 Jul 81 p 7]

**INDIA-DPRK CULTURAL PACT**--Beijing, July 15 (PTI): India and North Korea have renewed the four-year-old cultural agreement by signing a second protocol yesterday at Pyongyang. A three-member Indian delegation led by Mir Nasrullah, additional secretary, was in the North Korean capital to sign the two-year protocol. Under the cultural exchange programme, education, science, including humanities, social sciences and physical sciences, and exchange of feature and documentary films are envisaged. Exchange of sports teams is also covered by the agreement. [Text] [Bombay THE TIMES OF INDIA in English 16 Jul 81 p 6]

**'NAWA-E WAQT' REPORTS KHALISTAN SECESSIONIST MOVEMENT**

GF231827 Karachi NAWA-E WAQT in Urdu 20 Aug 81 p 4

[Article by Waheed Ishrat]

[Excerpts] A world convention of Sikhs was held recently in the Indian capital, Delhi, during which the Sikhs formulated a plan to begin a campaign for an independent Khalistan on 7 September. The most conspicuous feature of this convention was the Sikhs' awareness of the fact that politically, culturally and religiously they are a separate entity and that they cannot achieve national integration, solidarity and recognition alongside the Hindus. The latter have embarked on a consistent policy of treating the Sikhs like second-rate citizens. These sentiments of the Sikhs are amply reflected in the white paper submitted at the Delhi convention by the Akali Dal Longwal group.

When the Sikhs decided to initiate the Khalistan campaign, the Indian foreign minister dubbed it a "lunatic's dream," but the Sikh leadership began transforming this dream into reality. Today, the term "Khalistan" is not unfamiliar to the Indian Government or the world press. However, the Indian Government is trying to thwart the creation of Khalistan with the assistance of other Sikh groups.

Nine resolutions were approved in the world convention of 26 July. In one of them it was decided that, like Benares and Hardwar, Amritsar should also be recognized as a sacred city.

Dr Jagjit Singh, pioneer of the free Khalistan movement, bitterly criticized the Indian Government in his speech at the convention. He said its policy is not trustworthy and is based on malice and evil intentions. The most vituperative part of his speech was when he said that the Sikhs will burn the Indian flag and the Constitution and fling the ashes into the Ganges River.

Efforts are being made to enlist support for the Khalistan movement abroad. When one of its leaders (Guru Charan Singh Tohra) went abroad, he spoke on the independent Khalistan movement in the United States, Britain, Canada and in 40 other places in European countries. Dr Jagjit Singh also spoke on the movement. Apart from this, the Toronto TIMES is being published as the official mouthpiece of the movement from Canada.

Dr Rajinder Singh of Chandigarh University, a prominent thinker and leader of the free Khalistan movement who has written several books on the Sikh liberation move-

ment and Akaltakht, said in an 'interview that the Sikhs' problem is cultural. The Sikhs feel a greater affinity toward the Muslims than the Hindus as they hold monotheistic beliefs and consider the Hindu religion, with its polytheistic and pagan rituals and caste system, as fallacious and loathsome.

Speaking to a group of Sikhs, Mrs Gandhi said that those who are talking of seceding will not only weaken themselves but also the country. This is not the time to talk of secession but of unity.

The East Punjab Government has started official operations against the supporters of the Khalistan movement on orders from the central government to cope with the situation. A large number of movement members were arrested in Jullunder.

Dr Rajinder Singh said that Sikhs all over the world are grateful to Pakistan, which warrants highest respect for preserving the holy shrines of the Sikhs and maintaining them in excellent condition. He added that attempts are being made to coordinate Indian minorities. Mrs Gandhi is spreading false propaganda about Pakistan just to keep India intact for she knows that India's future is bleak. Now India cannot fight with Pakistan because if it does, it will disintegrate into eight pieces.

Speaking about the Sikhs' social status, Dr Singh said that except for the few high caste Sikhs who are touts and traitors, the rest are being deliberately trampled upon socially.

He said that the Sikhs have reached the end of their patience after being victimized for 34 years. You will see after September 1981 that the Sikhs will either lay down their lives or the banner of Khalistan will be flying high.

CSO: 4203/109

PAKISTAN-USSR PROTOCOL FOR GOODS EXCHANGE

Karachi DAWN in English 18 Aug 81 p 4

[Text]

The details of Pakistan-USSR protocol for exchange of goods, the procedure for the issue of licences under this agreement and the items to be traded by the two sides, have been released by the Export Promotion Bureau.

Under the agreement, valid up to December 1981, single country import licences will be issued by the office of the Chief Controller of Imports and Exports which will bear suitable endorsement to enable the authorised dealers to distinguish such licences from normal cash licences and licences issued under other special arrangements.

All transactions relating to exports from Pakistan and imports from USSR under this agreement will be handled by the National Bank in Pakistan and the Bank for Foreign Trade of USSR at that end.

The exporter, and importer, however, will be free to approach the National Bank through their own bankers or directly as they may choose.

Pakistan will export to USSR a large variety of goods. The list of exportable goods includes cotton textiles, readymade garments, semi-tanned and tanned goat skins, cotton made-ups including towels, hosiery, tapestry and bed linen, spectacle frames, carpets, cotton yarn and thread, leather garments, footwear including shoe uppers, surgical instruments, handicrafts, sports goods, books and periodicals, cinematographic films and miscellaneous goods to be mutually agreed upon.

The Soviet Union exports to Pakistan equipment and spares for steel mills, equipment and spares for Oil and Gas Development Corporation, earth moving and road building equipment and vehicles, spares for machinery and equipment, machine tools, tools and workshop equipment, electrical measuring instruments, tractors, urea, steel billets, cement, sheet and plate glass, dyestuffs, varnishes and tanning materials, components and spares for TV sets, books, and periodicals, cinematographic films miscellaneous items including medicines, watches and clocks, oscillograph, fluorescent tubes and other items to be mutually agreed upon.—PFI

AFGHANISTAN'S PRESENCE ON PALESTINE COMMITTEE PROTESTED

Quetta BALUCHISTAN TIMES in English 10 Aug 81 p 3

[Editorial: "A Wise Step"]

[Text]

Pakistan's strong objection to the meeting of the Palestinian Rights' committee being presided over by a representative of Afghanistan, to discuss a proposal from Mr. Yasser Arafat, Chairman of the Palestinian Liberation Organisation to send a team to Beirut to assess the heavy loss of human life and property caused by recent Israeli bombing of civilian areas in Lebanon, was certainly a right step. A regime which by all standards is puppet in nature, has no say in any matter and is working only for safeguarding the interests of its alien masters, has no right to preside over an important meeting concerning the Muslim world. Since Pakistan has not recognised the present regime in Afghanistan, therefore, it is apparent that it could not accept the holding of meeting being presided over by a representative of that regime. Even otherwise, the entire world knows that the Karmal regime in Afghanistan has no backing from the people of Afghanistan rather the Afghan people are struggling hard to get emancipation from the present regime in Kabul as well as from its alien supporters. It is an encouraging matter that following Pakistan's objection, the meeting was adjourned for private consultations to sort out the matter. During the

course of these consultations, a four - member working group was appointed to discuss the whole issue and make recommendations to the committee.

Pakistan is a staunch supporter of Palestinian cause and takes pride in championing it inside as well as outside the international forums. There should be no doubt on this account. Pakistan is also in full agreement with Mr. Yasser Arafat's initiative but at the same time it cannot let the Babrak Karmal regime gain legitimacy because if its representative presides over the meeting it would be tantamount to have been recognised by the participants of the meeting. We believe that by objecting to the meeting being presided over by a representative of Karmal regime, the Pakistan's Ambassador Niaz A. Naik has demonstrated sagacity and a correct approach towards a right direction.

Afghanistan at present is not a member of the Organisation of the Islamic Conference whose main pre-occupations are the question of Palestine and Liberation of the Holy City of Jerusalem because the OIC suspended its membership in January, 1980. Suspension of its membership from OIC is a clearcut indication that Afghanistan has been barred from acting as a spokesman on these vitally imperative issues; and that no member of the OIC should provide any sort of opportunity to it to do so.

Pakistan's objection to Afghanistan's representative's presiding over the important meeting is a matter which is based on principles. Adherence to principles is a must. Pakistan even objected to the candidacy of Afghanistan for the annual elections of the Palestinian Rights' Committee which were to be held in January last. The result was that the election could not take place. However, since the

PLD had expressed the wish that 1980 office-bearers continue, a compromise was reached to meet Pakistan's objection and it was decided that the Committee's meeting would be presided over by the Chairman, the representative of Senegal, or by the First Vice-Chairman, the representative of Cuba notwithstanding the fact that Afghanistan is also the Vice-Chairman of the Committee. Not only this but at that time it was also agreed that Afghanistan, would not sign any communication. All these point to the necessity that Afghanistan would not be given an opportunity to act as a spokesman of the Palestinians' Rights Committee. We hope that the Palestinian Rights' Committee would not allow the representative of Karmal regime to preside over the committee meeting, and complete its deliberations without allowing that representative to occupy the chair on the rostrum.

CSO: 4220/285

'DAWN' COMMENTS ON U.S. LIBYAN AIR CLASH

Karachi DAWN in English 21 Aug 81 p 17

[Editorial: "The Gulf of Sidra Incident"]

[Text]

THE shooting down of two Libyan fighters by US Navy planes over the Gulf of Sidra, which Libya claims to be its territory, is bound to give rise to new tensions in a region already beset with crises. It is unfortunate that the United States should have decided, in the first place, to conduct much-publicised naval manoeuvres off the Libyan coast "to test Gaddafi's reactions — and those of his allies in Moscow", to quote the American media. Given the poor state of US-Libyan relations, which touched a new low in May with the expulsion of Libyan diplomats from Washington, it is not very clear why Washington considered it advisable to undertake a move which could only be expected to exacerbate relations further. In view of the present American Government's ambiguous position on the new Law of the Sea Convention still under formulation, it was less than judicious on its part not only to challenge the Libyan claim with regard to the extent of its territorial

waters but also to contest that claim by sending an armada.

US-Libyan relations have not been at their best since 1970 when President Gaddafi took over and asked the American forces to withdraw from the Wheelus Air Force base outside Tripoli. Of late, relations between the two countries have deteriorated even further, with the Libyan leader attacking "American terrorism against the Palestinians" and the Reagan Administration calling President Gaddafi a "patron saint of terrorism". Moreover, there have been incidents involving the flight of US planes through airspace Libya claims as its own. Matters were aggravated by the media disclosure that the US Administration had spent months debating how to "neutralise" President Gaddafi, and had undertaken an active campaign to isolate him diplomatically. The United States' inability to develop a working relationship with Libya or to prevent bilateral relations from becoming further strain-

ed cannot be seen to have served long-term US interests in the area. Far from being isolated the Libyan leader is now a leading figure in Africa. He will play host to the OAU Summit next year and the Organisation's chairman in 1982-83. He has won the approval of other African leaders by working for a settlement of the conflict in Western Sahara and agreeing to the withdrawal of Libyan troops from Chad. In the Middle East he stands out as a vocal champion of the Palestinian's rights and this, above all, will increase whatever appeal he has in the Arab world if the US decides to confront him.

Wednesday's incident has also to be seen in the wider context of superpower rivalry. The American war games in the Mediterranean just sixty miles off the Libyan coast serve to underline the unsettling effect a superpower's military presence can have on a region. The presence of one major power in an area invariably invites the presence of the other. Be

they the Soviet forces in Afghanistan, or the American navy in the vicinity of the Gulf, it is clear that the competition between the two superpowers to establish their influence in the region has introduced new tensions in the area. Their rivalry for strategic superiority has directly affected not only their bilateral relations but also the equations among the regional States. It is in this context that the move by Libya, South Yemen and Ethiopia to enter into a treaty of friendship and cooperation and the earlier establishment of the Gulf Cooperation Council comprising Oman, Bahrain, the UAE, Kuwait, Qatar and Saudi Arabia should be viewed. By using Libya to test the Soviet response in the Mediterranean the United States may have taken a calculated but unnecessary risk. It is to be hoped that moderation will prevail on both sides. Failure on the part of the two Governments to exercise restraint might well touch off a chain reaction not eagerly sought by either.

# INCREASED POWERS GIVEN BALUCHISTAN LOCAL BODIES

Karachi BUSINESS RECORDER in English 18 Aug 81 p 3

[Text]

QUETTA, Aug. 17: The Governor/Martial Law Administrator Baluchistan has decided to delegate certain powers of the provincial departments to the local councils in Baluchistan 25 main points covering nine provincial departments are listed below:

## I. Agriculture Department:

1. The chairman, district will be the ex-officio chairman of the district agriculture advisory committee to be constituted by the district council.

2. The chairman of the union council where the headquarters of a grade 1 to 5 4 to 5 official of the agriculture department are located will report specific complaints against such official to the next higher authority in the agriculture department for initiating disciplinary action.

## II. Animal Husbandry Department: J

3. The district council will formulate the district veterinary services programme and will also supervise its implementation.

4. The chairman of the union council where the headquarters of a grade one to five official of the Animal Husbandry Department are located will report specific complaints against such official to the next higher authority in the animal husbandry department for initiating disciplinary action.

5. The district council will undertake the construction and repairs of veterinary dispensaries in the rural areas.

## III. Communication and works department:

6. The chairman of the union council where the headquarters of a grade one to five official of the communications and works department are located will report specific complaints against such official to the next higher authority in the communication and works department for initiating disciplinary action.

## IV. Education Department:

7. The chairman of the union council and district council will visit the government primary schools in the rural areas within their jurisdiction and record remarks in the visitors' book for the guidance of the teachers.

8. The chairman of the union council where the headquarters of the official of the education department in grade one to five are located, will report specific complaints against such official to the next higher authority in the education department for initiating disciplinary action.

9. The chairman district council will be the ex-officio chairman of the district education committee to be constituted by the district education committee to be constituted by the district council which will have the following functions and powers.

i. To make purchases of equipments and all other materials for schools.

ii. To advise on the selection of sites for the opening/upgrade of schools.

iii. To grant scholarships and to regulate other affairs relating to school education.

10. The district councillors representing labour in the district council will be a member of the education cess committee in those areas where such cess is levied.

The labour department will constitute the education cess committees for the above purpose.

11. The chairman of the respective district councils/municipal committees will be associated with the selection of candidates for professional and technical educational institutes, against reserve seats.

#### V. Food Department:

12. The ward member of the local council where the ration depot is located has been authorised to check the records and stocks of ration depots, in case of irregularities, he may recommend their cancellation, he may similarly recommend the cancellation of bogus ration cards to the department.

#### VI. Health Department:

13. The chairman, union council will check the records and stocks of all rural dispensaries and basic health units within the union council.

14. The chairman, district council will check the records and stocks of all rural health centres within the district.

15. The chairman/mayor of the town committee/municipal committee and corporation will check the records and stocks of

all hospitals in the local area where the hospital is situated.

16. In all other matters, the chairman of local council concerned will be empowered to inspect the basic health units, rural health centre, and dispensaries, and send his reports to the DHO who will give due cognizance to the observations made in such reports.

17. The chairman of the union council where the basic health unit or dispensary is situated may report specific complaints in respect of staff in grade one to five to the next higher authority in the health department for initiating disciplinary action.

#### VII. Irrigation Department:

18. The district council will formulate the district level schemes of the Irrigation Department and will also supervise their implementation.

19. The chairman of the union council where the headquarter of the official of the irrigation department in grade one to five are located will report specific complaints against such official to the next higher authority in the Irrigation Department for initiating disciplinary action.

20. The district council will select the villages for electrification.

#### VIII. Industries Department:

21. The district council will formulate the schemes and select the sites of district level small industries schemes, subject to the condition that prior technical advice of the industries department has been obtained.

22. The chairman of the dis-

trict council may report specific complaints to the next higher authority in the industries department in grade one to five posted in the concerned district.

#### IX. Social Welfare Department:

23. The district council will formulate the district level schemes of the Social Welfare Department.

24. The supervision of the above schemes will be done by a committee under an elected lady councillor. The district council will constitute this committee. Where there is no elected lady councillors, the supervision will be done by the chairman of the concerned district council in the rural areas, the municipal corporation, municipal committee, town committee in the urban areas.

25. The provincial Social Welfare Advisory Council will have five local councillors, one from the Quetta Municipal Corporation to be nominated by the corporation and one each from the four divisions to be nominated by the respective divisional coordination committees.

26. The recommendations of the elected councillors will be given full consideration before the registration of new voluntary social welfare agencies by the department.

It has also been decided that the powers of the local council and their chairman relating to the grant of administrative approval and to enter in to contracts for development schemes may be suitably announced.—APP.

PAKISTAN

BRIEFS

TARBELA DAM FILLED--Tarbela--Remedial works on the Auxilliary & Spiliway of Tarbela Dam costing Rs 750 million will be completed before the end of this year. This information was given to newsmen who visited the dam yesterday by the General Manager of the dam. He said the construction of the Flipbuckets on Tunnel Four costing Rs 450 million had been awarded and it would be completed by the middle of 1983. He said By Aug 15 the reservoir of the dam would be filled to its capacity. He further said with the completion of four additional power units by the end of next year power generation of the dam would be doubled.  
[Text] [Quetta BALUCHISTAN TIMES in English 9 Aug 81 p 4]

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